

**California Bay-Delta
Public Advisory Committee
Meeting**

**September 18, 2002
12:30 p.m. – 6:00 p.m.
Cucamonga County Water District
10440 Ashford Street
Rancho Cucamonga, CA**

**September 19, 2002
9:00 a.m. – 4:00 p.m.
Metropolitan Water District of
Southern California
700 North Alameda Street
Los Angeles, CA**

M e m o r a n d u m

Date: September 9, 2002
To: California Bay-Delta Public Advisory Committee
From: Patrick Wright
Director
Subject: September 18-19, 2002 Meeting

The next meeting of the California Bay-Delta Public Advisory Committee is scheduled for September 18-19, 2002, in Southern California. An agenda for the two days is attached, as are materials to prepare you for the meeting.

The expected outcomes for this meeting are as follows:

- To act on recommendations from the Drinking Water, Water Use Efficiency and Environmental Justice Subcommittees and forward Committee recommendations to the CALFED Policy Group.
- To provide advice and guidance on CALFED Bay-Delta Program issues and priority tasks for 2002 - 2003 (Year 3) to the CALFED Policy Group.
- To begin discussions on the Committee's role in addressing those issues and priorities.
- To update the Committee on Southern California issues, projects and activities.

On Wednesday, September 18, and after the Drinking Water Subcommittee meeting, the Committee will meet at the Cucamonga County Water District to begin site visits and a tour of Southern California water projects and activities. The Southern California Dialogue is sponsoring this tour which will highlight the Prado Wetlands and other Inland Empire projects, Santa Monica Urban Runoff Facility (SMURF), West Basin Water Recycling Facility and discussion of groundwater/conjunctive use, conservation and watershed efforts. I hope you can make this informative and exciting tour.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

The meeting on September 19, is hosted by the Metropolitan Water District of Southern California and will begin with updates from the Chair, including passage of the new California Bay-Delta Authority Act, SB 1653 (Costa). The Committee will be asked by Subcommittee co-chairs to act on recommendations from the Drinking Water, Water Use Efficiency and Environmental Justice subcommittees. The Drinking Water Subcommittee is forwarding recommendations on advanced treatment studies, advice to the State Water Resources Control Board and Central Valley Regional Water Quality Control Board on actions related to agricultural discharge waivers, and a progress report on using the strategy of “equivalent level of health protection” to meet the ROD drinking water quality targets. The Water Use Efficiency Subcommittee is forwarding recommendations on staff proposals for urban water conservation certification and agricultural water use efficiency milestones. The Environmental Justice Subcommittee is forwarding a recommendation on a work plan and budget for integrating environmental justice objectives into the Program. The three subcommittees are meeting between now and the Committee meeting and may forward additional recommendations.

During lunch, Committee member Maureen Stapleton will update the Committee on Colorado River issues. After lunch, Curtis Creel (Department of Water Resources) and Chet Bowling (U.S. Bureau of Reclamation) will brief you on the 2003 water operations plan, including planning schedule, issues and the public outreach process. I will then brief the Committee on the Program’s 2001 – 2002 (CALFED Year 2) accomplishments, and 2002 – 2003 (CALFED Year 3) work plan issues and priority tasks. The Program and CALFED agencies are very interested in your reaction to the draft and guidance you can provide as we prepare for the December discussions and Committee recommendation on Program schedule and balance. As you are aware, the Program will be making an annual finding on the overall balance of the Program with respect to meeting ROD milestones and goals and objectives. The December 4, 2002, meeting is scheduled in Sacramento and will be devoted to that discussion. I look forward to meeting with you and a productive meeting.

This meeting packet includes:

- Meeting Agenda
- Chair’s Report
- Drinking Water Subcommittee Recommendations
- Water Use Efficiency Subcommittee Recommendations
- Environmental Justice Subcommittee Recommendation
- Draft CALFED Program Year 3 Work Plan Summary
- Southern California Regional Brochure Materials (bound separately)
- Ecosystem Restoration Program Summary 2002 Report (bound separately)
- Meeting Summaries
- Correspondence

California Bay-Delta Public Advisory Committee

Wednesday, September 18, 2002, 12:30 p.m. to 6:00 p.m.

Southern California Site Visits

12:30 p.m. to 6:00 p.m. Tour begins at **Cucamonga County Water District** 10440 Ashford Street, Rancho Cucamonga, California and ends at **Metropolitan Water District of Southern California**, 700 North Alameda Street, Los Angeles, California

Thursday, September 19, 2002, 9:00 a.m. to 4:00 p.m.

Metropolitan Water District of Southern California

700 North Alameda Street
Los Angeles, California

Agenda¹

- 9:00 a.m.**
1. Welcome and Introductions
 2. Chair's Report
 3. Director's Report
 4. Drinking Water Subcommittee Recommendations (Action Item)
 5. Water Use Efficiency Subcommittee Recommendations (Action Item)
 6. Environmental Justice Subcommittee Recommendations (Action Item)
 7. Public Comment
- 12:00 p.m.**
8. Lunch and Southern California Regional Highlights
 9. CALFED Bay-Delta Program 2002-2003 Issues and Priorities Review
 10. Public Comment
- 4:00 p.m.**
11. Adjourn

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- Members of the public are responsible for their transportation during the tour.
 - If you have any questions or need additional information, please contact Eugenia Laychak at (916) 657-2666.
 - If you need reasonable accommodation due to a disability, please contact Pauline Nevins at the CALFED Bay-Delta Program at (916) 657-2666 or TDD (800) 735-2929.

For further information visit our website at <http://calfed.ca.gov>.

¹ Order of agenda items is subject to change.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Memorandum

Date: September 9, 2002
To: California Bay-Delta Public Advisory Committee
From: Gary Hunt, Chair
Subject: Agenda Item 2: Chair's Report – *(Information)*

Welcome to Southern California for the Committee meeting on September 18 and 19, 2002. In preparation for the meeting, I wanted to follow-up on the Committee priorities and provide you with some information.

As many of you know, the Committee's governance priority is very close to being achieved. On August 29, 2002 the California Legislature passed SB 1653 (Costa), a bill to create the California Bay-Delta Authority and institutionalize the CALFED Bay-Delta Program. (see attachments 1 and 2). The administration has been supportive of the bill and the Governor has 30 days from the date of passage to sign it. After the bill is enacted into law, the California Bay-Delta Authority Act will become effective on January 1, 2003.

I want to thank all who worked on ensuring the passage of this bill. Creation of the authority sets the institutional framework for ensuring achievement of the goals in the Programmatic Record of Decision. However, we have more to do and are still working hard to achieve other Committee priorities of federal authorization and the November water bond (Proposition 50).

I have enclosed for your information a series of timely articles from the New York Times on water issues confronting the Middle East, South America, China and areas overlying the Ogallala aquifer and how those issues, compounded by global warming, are affecting the lives of people who live in those areas. The articles demonstrate we are on the right path in California; however, they also offer lessons learned which relate to our issues.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Chair's Report
September 9, 2002
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I am looking forward to seeing you at the September meeting and engaging in productive discussion on subcommittee recommendations, Bay-Delta issues and priorities, and the contributions Southern California is making towards achieving the CALFED goals and objectives. I expect we will also discuss how best to prepare for our recommendation on Program balance at our next meeting on December 4, 2002.

CALIFORNIA BAY-DELTA AUTHORITY
Major Features of SB 1653 (Costa)
As amended August 26, 2002

Governance Feature	Provision
Defines the California Bay-Delta Program	<ul style="list-style-type: none"> • Program consists of actions and commitments consistent with the goals and objectives described in the CALFED August 28, 2000 Record of Decision. • Divides the Program into 5 regions: Delta, Bay, Sacramento Valley, San Joaquin Valley and Southern California.
Establishes the California Bay-Delta Authority and Defines the Authority's Role	<p>Authority created in the Resources Agency will:</p> <ul style="list-style-type: none"> • Provide accountability • Ensure balanced implementation • Develop and implement program tracking, monitoring and assessment. • Use sound science • Assure public involvement and outreach • Coordinate and integrate existing and future government programs
Membership	<p>Members of the Authority:</p> <p>State:</p> <ul style="list-style-type: none"> Secty. For Resources Secty. For Cal-EPA Secty. For Food and Agric. Dir. Of Water Resources Dir. Of Fish & Game Dir. Of Health Services <p>Federal:</p> <ul style="list-style-type: none"> Secty. Dept. of Interior Reg. Admin. US-EPA Fish & Wildlife Service Bureau of Reclamation Army Corps of Engineers Nat. Marine Fisheries Service <p>Public Members:</p> <ul style="list-style-type: none"> Five members representing each of the CALFED regions One member from the Bay-Delta Advisory Committee Two at large members appointed by the Senate and Assembly <p>Ex-Officio (non-voting):</p> <ul style="list-style-type: none"> The chair and vice-chair of the Senate and Assembly water policy committees.

Voting Rule	Actions approved by the Authority require majority vote of the Authority members.
Annual Program Planning	<ul style="list-style-type: none"> • Annual program plans identify programs and funds to be managed and implemented consistent with the California Bay-Delta Program (Category A programs). • Annual program plans include: <ul style="list-style-type: none"> -program priorities, workplans and budgets -tracking and performance measures -public involvement and outreach -science • Director integrates program plans, Authority reviews and approves program plans.
Annual Reporting	Provides report to Governor, Secretary of the Interior, Legislature and Congress by December 15 th each year.
Program Management	<ul style="list-style-type: none"> • Defines the State and federal entities responsible for managing specific program elements: <ul style="list-style-type: none"> Levees – DWR, F&G, & USACE Water Quality – DHS, SWRCB & US-EPA Storage and Conveyance – DWR & USBR Water Use and Transfers – DWR, SWRCB & USBR Watershed – Res. Agency, SWRCB, DWR, F&G, NRCS, US-EPA, & USFW. • Ecosystem Restoration – F&G, USFW, & NMFS • Science – the Authority • Environmental Water Acct – DWR, F&G, USBR, USFW & NMFS.
Director	Appointed by the Governor to serve at the pleasure of the Authority.
Lead Scientist	Appointed by the Authority. Reports to the Authority.
Science Program	<ul style="list-style-type: none"> • Review and improve scientific knowledge and understanding. • Use adaptive management and the best scientific information in implementing the program • Assure independent review of technical and scientific performance of the program.
Public Advisory Committee	Establishes a public advisory Committee,

	which represents a broad range of interests and perspectives.
Independent Science Board	Establishes an Independent Science Board to provide independent scientific review for the program.
Other Powers and Duties	<ul style="list-style-type: none"> • Receive and disburse funds. • Issue contracts. • Establish pilot program with State control agencies to increase administrative efficiencies. • Resolve conflicts and disputes between agencies relative to implementation of the Program
Sunset Provision	Authority expires 01/01/06 unless federal authorizing legislation has been enacted.

BILL NUMBER: SB 1653

AMENDED IN ASSEMBLY AUGUST 26, 2002
AMENDED IN ASSEMBLY AUGUST 7, 2002
AMENDED IN SENATE MAY 28, 2002

INTRODUCED BY Senator Costa
(Principal coauthors: Assembly Members Canciamilla and Hertzberg)

FEBRUARY 21, 2002

An act to amend Section 11552 of the Government Code, and to add and repeal Division 26.4 (commencing with Section 79400) of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1653, as amended, Costa. California Bay-Delta Act.

Under existing law, certain state and federal agencies with management and regulatory responsibilities in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary participate in the CALFED Bay-Delta Program for the purposes of improving ecosystem quality, water supply reliability, water quality, and the integrity of the levees and channels in the bay-delta.

This bill would enact the California Bay-Delta Authority Act. The bill would establish in the Resources Agency the California Bay-Delta Authority, consisting of representatives from 6 state agencies and 6 federal agencies if those federal agencies are authorized to participate, 7 public members, one member of the Bay-Delta Public Advisory Committee, and 4 nonvoting, ex officio members of the Legislature. The bill would prescribe the authority's organization, powers, and purposes.

The bill would require the authority and the implementing agencies, as defined, to carry out the programs, projects, and activities necessary to implement the Bay-Delta Program, defined to mean those projects, programs, commitments and other actions that address the goals and objectives of the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, or as it may be amended.

The bill would require the Governor to appoint a director, in consultation with the Secretary of the Interior, and would prescribe the director's salary, duties, and powers. The bill would require the authority to appoint a lead scientist and would require the lead scientist to nominate, and the authority to establish, an Independent Science Board that would advise and make recommendations to the authority and the Bay-Delta Public Advisory Committee.

The bill would require the authority to review, approve, and make recommendations regarding certain annual program plans and project expenditures submitted by the implementing agencies. The bill would require the director to prepare and submit to the Department of Finance an annual state proposed budget for identified program elements of the Bay-Delta Program and the authority's oversight and coordination duties.

The bill would repeal these provisions on January 1, 2006, unless the Secretary of the Resources Agency makes a certain determination.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 11552 of the Government Code is amended to read:

11552. Effective January 1, 1988, an annual salary of eighty-five thousand four hundred two dollars (\$85,402) shall be paid to each of the following:

- (a) Commissioner of Financial Institutions.
- (b) Commissioner of Corporations.
- (c) Insurance Commissioner.
- (d) Director of Transportation.
- (e) Real Estate Commissioner.
- (f) Director of Social Services.
- (g) Director of Water Resources.
- (h) Director of Corrections.
- (i) Director of General Services.
- (j) Director of Motor Vehicles.
- (k) Director of the Youth Authority.
- (l) Executive Officer of the Franchise Tax Board.
- (m) Director of Employment Development.
- (n) Director of Alcoholic Beverage Control.
- (o) Director of Housing and Community Development.
- (p) Director of Alcohol and Drug Abuse.
- (q) Director of the Office of Statewide Health Planning and Development.
- (r) Director of the Department of Personnel Administration.
- (s) Chairperson and Member of the Board of Equalization.
- (t) Secretary of the Trade and Commerce Agency.
- (u) State Director of Health Services.
- (v) Director of Mental Health.
- (w) Director of Developmental Services.
- (x) State Public Defender.
- (y) Director of the California State Lottery.
- (z) Director of Fish and Game.
- (aa) Director of Parks and Recreation.
- (ab) Director of Rehabilitation.
- (ac) Director of Veterans Affairs.
- (ad) Director of Consumer Affairs.
- (ae) Director of Forestry and Fire Protection.
- (af) The Inspector General pursuant to Section 6125 of the Penal Code.
- (ag) Director of Child Support Services.
- (ah) Director of the California Bay-Delta Authority.

The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general salary increases provided for state employees during that fiscal year.

SEC. 2. Division 26.4 (commencing with Section 79400) is added to the Water Code, to read:

DIVISION 26.4. CALIFORNIA BAY-DELTA AUTHORITY ACT

CHAPTER 1. GENERAL PROVISIONS

Article 1. Short Title and Legislative Findings

79400. This division shall be known and may be cited as the California Bay-Delta Authority Act.

79401. The Legislature finds and declares all of the following:

(a) The San Francisco Bay/Sacramento-San Joaquin Delta Estuary is the largest estuary on the West Coast of the United States. It includes over 738,000 acres in five counties. The tributaries, sloughs, and islands support over 750 plant and animal species.

(b) The bay-delta, its tributaries, and watershed are critical to California's economy, supplying drinking water for two-thirds of Californians and irrigation water for over 7,000,000 acres of the most highly productive agricultural land in the world. It also supports 80 percent of the state's commercial salmon fisheries.

(c) The bay-delta is the hub of California's two largest water distribution systems--the Central Valley Project, operated by the federal Bureau of Reclamation and the State Water Project, operated by the California Department of Water Resources. It also provides the conveyance of floodwaters from most of the rivers in the Central Valley.

(d) Conflicts currently exist regarding water use for the purposes of water quality, fish protection, and water supply that demonstrate how little flexibility the state's water supply systems have to meet the state's growing demand for water and the need to protect the environment.

(e) A solution to these problems requires state, federal, tribal, and local action in numerous regions throughout the state, not only in the bay-delta itself, but also in the bay-delta watershed and the areas that depend on water exported from the bay-delta. The California Bay-Delta Program is divided into the following five regions:

- (1) Sacramento and San Joaquin River Delta.
- (2) San Francisco Bay.
- (3) Sacramento Valley.
- (4) San Joaquin Valley.
- (5) Southern California.

(f) Nearly two dozen state and federal agencies have some role in managing or regulating the natural resources of the bay-delta and its watershed. A coordinated implementation structure and organization is necessary for the effective implementation of the California Bay-Delta Program. The state and federal agencies participating in the program include all of the following: the Resources Agency, Department of Water Resources, Department of Fish and Game, Department of Food and Agriculture, California Environmental Protection Agency, State Water Resources Control Board, State Department of Health Services, United States Department of the Interior, United States Department of Agriculture, United States Bureau of Reclamation, United States Fish and Wildlife Service, United States Geological Survey, United States Bureau of Land Management, United States National Marine Fisheries Service, United States Environmental Protection Agency, United States Army Corp of Engineers, United States Natural Resources Conservation Service, United States Forest Service, and Western Area Power Administration.

(g) The agencies participating in the California Bay-Delta Program have prepared a 30-year plan to coordinate existing programs and direct new programs to improve the quality and reliability of the state's water supplies and to restore the ecological health of the bay-delta watershed.

(h) To ensure efficiency, transparency, and accountability in decision making, the implementation of the California Bay-Delta Program requires the establishment of an authority. The authority is intended to accomplish all of the following:

(1) Provide accountability to the Legislature, Congress, and interested parties for the program's performance.

(2) Promote the implementation of the program in a balanced manner.

(3) Provide consistent monitoring, assessment, and reporting of the agencies' individual and cumulative actions.

(4) Provide the use of sound, consistent science across all program elements.

(5) Coordinate existing and new government programs to meet common goals, avoid conflicts, and eliminate redundancy and waste.

(6) Oversee coordinated implementation of the California Bay-Delta Program in a manner that is consistent with the mission statement, goals, and objectives of the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, or as it may be amended.

(7) Promote the development and implementation of regional programs to advance the program elements.

(i) The successful implementation of the California Bay-Delta Program will require the full cooperation and participation of many federal agencies. The Legislature, in adding this division, expects the subsequent enactment of federal legislation authorizing the full participation of federal agencies in the authority established and activities prescribed by this division. Until that federal legislation is enacted, federal agencies are invited to participate in the authority and its activities, as described in this division, to the extent possible under existing federal agency authorizations.

Article 2. Definitions

79402. Unless the context otherwise requires, the following definitions set forth in this section govern the construction of this division:

(a) "Authority" means the California Bay-Delta Authority.

(b) "Balance" or "balanced implementation" means the implementation of projects, programs, or other actions in a manner that meets both of the following requirements:

(1) Is consistent with the implementation schedule and milestones described in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, or as it may be amended.

(2) Results in concurrent improvement in all program elements in a manner that ensures that improvements in some program elements are not made without corresponding improvements in other program elements.

(c) "Bay-delta" means the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

(d) "Bay-Delta Public Advisory Committee" means the Bay-Delta Public Advisory Committee established by charter issued by the United States Department of Interior, dated June 8, 2001, and filed on July 2, 2002.

(e) "California Bay-Delta Program" or "Bay-Delta Program" means those projects, programs, commitments, and other actions that address the goals and objectives of the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, or as it may be amended.

(f) "Category A programs" means those state and federal agency programs and funds that are to be managed and implemented consistent with the California Bay-Delta Program's goals and objectives.

(g) "Director" means the Director of the California Bay-Delta Authority.

(h) "Implementing agencies" means those agencies with the primary responsibility for implementing the program elements, subject to Sections 79440 and 79441.

(i) "Program elements" means the following 11 program elements of the California Bay-Delta Program:

- (1) Levee system integrity.
- (2) Water quality.
- (3) Water supply reliability.
- (4) Ecosystem restoration.
- (5) Water use efficiency.
- (6) Water transfer.
- (7) Watershed.
- (8) Storage.
- (9) Conveyance.
- (10) Science.
- (11) Environmental water account.
- (j) "Projects" means both programs and capital projects.

Article 3. General Provisions

79403.5. (a) The authority and the implementing agencies shall carry out the programs, projects, and activities necessary to implement the Bay-Delta Program in accordance with Section 79441. The authority shall coordinate the activities of the implementing agencies to promote balanced implementation that meets the goals and objectives of the Bay-Delta Program.

(b) State agencies, whenever feasible, shall carry out their authority and responsibilities in a manner that is consistent with the goals of the Bay-Delta Program to promote cooperative and coordinated actions and programs that result in balanced solutions to bay-delta problems.

(c) Nothing in this division shall be construed to restrict or override constitutional, statutory, regulatory, or adjudicatory authority or public trust responsibilities of any federally recognized Indian tribe, or any local, state, or federal agency, or to restrict or override authority or responsibility of state, federal, or local water project operations under applicable law and contracts. This division does not abrogate or modify state laws with respect to responsibilities to the State Water Project bondholders and shall be implemented in a manner consistent with Sections 10505 and 10505.5, Article 3 (commencing with Section 11460) of Chapter 3 of Part 3 of Division 6, and Chapter 1 (commencing with Section 12200) of Part 4.5 of Division 6.

79404. This division shall be carried out in a manner consistent with respective state and federal agency budget development, review, and approval processes.

79405. The authority is an agency of the state. Nothing in this division shall be construed to waive the state's immunity to suit in federal court under the Eleventh Amendment to the United States Constitution. A federal representative on the authority may participate to the extent allowed by federal law and may decline to participate in any matter with regard to which constitutional concerns arise, as determined by that representative.

79406. State agencies, including the authority, shall work with federal agencies and the Congress of the United States to obtain, as soon as reasonably feasible, the necessary federal approvals, including federal legislation, that will enable the federal agencies to participate with the state in the governance of the Bay-Delta Program pursuant to this division.

79407. (a) Nothing in this division may be construed as a certification of any of the following:

(1) The CALFED Bay-Delta Program final programmatic environmental impact statement/environmental impact report dated July 21, 2000.

(2) The CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, or as it may be amended.

(3) The Framework Agreement, dated June 9, 2000.

(b) Nothing in this division affects the rights of litigants, or the merits of any pending lawsuit relating to the CALFED Bay-Delta Program.

CHAPTER 2. CALIFORNIA BAY-DELTA AUTHORITY

Article 1. California Bay-Delta Authority

79410. There is hereby established in the Resources Agency the California Bay-Delta Authority.

79412. (a) The authority shall include representatives from six state agencies and six federal agencies if those identified federal agencies are authorized to participate, seven public members, one member of the Bay-Delta Public Advisory Committee, and four nonvoting ex officio members, as follows:

- (1) The Secretary of the Resources Agency.
 - (2) The Secretary of the California Environmental Protection Agency.
 - (3) The Director of Water Resources.
 - (4) The Director of Fish and Game.
 - (5) The State Director of Health Services.
 - (6) The Secretary of the Department of Food and Agriculture.
 - (7) The Secretary of the Interior.
 - (8) The Regional Administrator of Region IX of the United States Environmental Protection Agency.
 - (9) The Operations Manager of the California/Nevada Operations Office of the United States Fish and Wildlife Service.
 - (10) The Regional Director of the United States Mid-Pacific Region of the Bureau of Reclamation.
 - (11) The District Engineer of the United States Sacramento District of the Army Corp of Engineers.
 - (12) The Regional Administrator of the Southwest Region of the United States National Marine Fisheries Service.
 - (13) One public member from the Sacramento and San Joaquin River Delta Region.
 - (14) One public member from the San Francisco Bay Region.
 - (15) One public member from the Sacramento Valley Region.
 - (16) One public member from the San Joaquin Valley Region.
 - (17) One public member from the Southern California Region.
 - (18) One member of the Bay-Delta Public Advisory Committee.
 - (19) Two at large members.
 - (20) The Chairperson and Vice Chairperson of the Assembly Water Parks and Wildlife Committee, or its successor, as a nonvoting, ex officio member.
 - (21) The Chairperson and Vice Chairperson of the Senate Agriculture and Water Resources Committee, or its successor, as a nonvoting, ex officio member.
- (b) The five public members subject to regional requirements shall be appointed by the Governor, in consultation with the Secretary of the Interior if appropriate federal authorizing legislation has not been enacted, or with the concurrence of the Secretary of the Interior if appropriate federal authorizing legislation has been enacted, and with the advice and consent of the Senate.
- (c) One at large public member shall be appointed by the President Pro Tempore of the Senate in consultation with the Secretary of the Interior.
- (d) One at large public member shall be appointed by the Speaker of the Assembly in consultation with the Secretary of the Interior.

(e) (1) For the purposes of being eligible to serve on the board, a public member described in any of the paragraphs (13) to (17), inclusive, of subdivision (a) shall be required to live in the region he or she represents.

(2) A public member shall have substantial training, expertise, and knowledge as follows:

(A) With regard to at least one of the following areas: ecosystem restoration, levees, water supply, or water quality.

(B) With regard to labor, Native American matters, local government, the environment, or business if that public member meets the requirements of subparagraph (A).

(f) The public members, as a group, shall reflect a broad range of the experience and knowledge described in subdivision (e).

(g) The representative of the Bay-Delta Public Advisory Committee shall be selected by a majority vote of all the members of that committee.

(h) A member of the authority described in any of the paragraphs (1) to (12), inclusive, of subdivision (a) may designate, in writing, a deputy director of that member's agency, or a person occupying an equivalent classification, to act in the place of that member if that member is absent.

(i) The federal representatives described in paragraphs (7) to (12), inclusive, of subdivision (a) may participate as nonvoting members until federal authorizing legislation is enacted and upon the enactment of that legislation, shall become voting members.

79413. Federal participation in the authority is intended to promote coordination and provide advice from federal agencies and thereby assist the state and federal agencies to more effectively meet their common goals and obligations. Nothing in this division extends the application of federal law, including the National Environmental Policy Act, to actions by state agencies, or extends the application of state law, including the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), to actions by federal agencies.

79414. The authority is subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

79415. (a) Except as provided in subdivision (b), a public member of the authority shall hold office for a term of four years, and until a successor is appointed.

(b) In the case of the public members initially appointed by the Governor, two members shall be appointed to serve until January 1, 2004, and three members until January 1, 2006.

(c) The Governor, in consultation with the Secretary of the Interior, shall appoint one of the authority members as a chairperson who shall preside at all meetings, and a vice-chairperson who shall preside in the absence of the chairperson.

(d) For the purposes of conducting the authority's business, a quorum of eleven voting members of the authority shall be present, which shall include at least three public members. All actions approved by the authority shall require an affirmative vote of a majority of the authority members eligible to vote.

(e) The authority may form committees, and the committees may make recommendations to the full authority.

(f) Each public member of the authority shall receive compensation in the amount of one hundred dollars (\$100) per day, not to exceed eight hundred dollars (\$800) per month, for conducting any authority business authorized by the authority, upon the approval of the compensation by a majority of the authority members by a recorded vote. A public member may also receive reimbursement for the necessary expenses incurred by the member in the performance of the member's duties.

Article 2. Powers and Duties

79420. (a) The authority may exercise all of the following powers:

- (1) Sue or be sued.
- (2) Delegate administrative functions to the staff of the authority.
- (3) Request reports from state, federal, and local government agencies on issues related to the implementation of the California Bay-Delta Program.
- (4) Receive funds, including funds from private and local government sources, and contributions from public and private sources, as well as state and federal appropriations.
- (5) Enter into contracts consistent with existing contracting practices of the Department of General Services.
- (6) Disburse funds through grants, public assistance, loans, and contracts to entities, including federally recognized Indian tribes, within the Bay-Delta Program regions, as described in subdivision (e) of Section 79401, to carry out the Bay-Delta Program goals and objectives.
- (7) Employ the services of other public, nonprofit, or private entities.
- (8) Employ its own legal staff or contract with other state or federal agencies for legal services, or both. The authority may employ special legal counsel with the approval of the Attorney General.
- (9) Adopt regulations as needed for the implementation of this division. A federal representative may decline to participate in actions described in this subdivision if he or she identifies a constitutional or statutory limitation on that participation. The authority granted by this subdivision does not extend to the adoption of regulations to implement the program elements described in subdivisions (a) to (f), inclusive, and subdivision (h) of Section 79441.
- (10) Obtain and hold regulatory permits and prepare environmental documents.
- (11) Pursuant to Section 78684.8, the authority is hereby designated the successor to the Secretary of the Resources Agency for the purpose of carrying out the balancing and related procedures established pursuant to Section 78684.12.

(b) This section shall become operative only if AB 2683 (Canciamilla) and Senate Bill 1653 of the 2001-02 Regular Session are both chaptered and become effective on or before January 1, 2003, and AB 2683 is chaptered last, in which case this section shall prevail over Section 79420, as added by Senate Bill 1653.

79421. The authority shall carry out the following duties:

- (a) Develop policies and make decisions at program milestones, and provide direction to achieve balanced implementation, integration, and continuous improvement in all program elements.
- (b) Track the progress of all program projects and activities and assess overall achievement of the goals and objectives of the California Bay-Delta Program.
- (c) Modify, as needed, the California Bay-Delta Program's timelines and activities where the authority deems it necessary to ensure that the program meets its overall goals and objectives. Modification shall be coordinated with implementing agencies and other affected agencies with public input. The authority shall notify the appropriate policy and fiscal committees of the Legislature with regard to any modifications made by the authority.
- (d) Communicate with the Congress of the United States and the Legislature on program progress, answer legislative inquiries, review and respond to legislative proposals, and review and submit legislative proposals.

(e) On or before November 15 of each year, review progress in implementing the program.

(f) On or before December 15 of each year, submit a report to the Governor, the Secretary of the Interior, the Legislature, and the Congress of the United States that describes the status of implementation of all program elements for the prior fiscal year.

(g) If, at the conclusion of each annual review submitted pursuant to subdivision (f), or, if a timely annual review has not been issued, the authority or the Governor, or the Secretary of the Interior, if federal authorizing legislation has been enacted, determines, in writing, that either the program schedule or objective has not been substantially adhered to, the authority, in coordination with the Bay-Delta Public Advisory Committee, the Governor shall, and the Secretary of the Interior may, prepare a revised schedule that will achieve balanced progress in all program elements consistent with the intent of the California Bay-Delta Program and applicable regulatory requirements.

(h) To support annual implementation, the director shall prepare and submit to the Department of Finance an annual state proposed budget, prepared consistent with Section 79423, for each of the program elements and the authority's oversight and coordination duties, in accordance with the annual State Budget process.

(i) Coordinate with federal agencies to develop a proposed federal budget to support the California Bay-Delta Program that the federal agencies can submit to the President of the United States in accordance with the annual federal budget process.

(j) Manage the science program element.

(k) Coordinate, and when appropriate, assist with the integration of, the Bay-Delta Program with other related programs to maximize available resources and reduce conflicts and inconsistencies with other programs.

(l) Provide a forum for the resolution of conflicts or disputes among implementing agencies relating to the program.

(m) Seek out and promote partnerships with local interests and programs that seek to integrate various water management options, and cooperate and undertake joint activities with other persons, including local entities, Indian tribes, water users, and landowners.

These activities shall include, but are not limited to, planning, design, technical assistance, construction projects, and development of an independent science program.

(n) Develop, in cooperation with federal agencies, a regulatory coordination and streamlining process for the issuance of permits and approvals required under state and federal law as necessary, to achieve the program's goals and objectives that reduces or eliminates duplicative process.

(o) Adopt criteria for review, approval, and modification of annual program plans and projected expenditures pursuant to subdivision (i) of Section 79423. The criteria shall be consistent with existing state and federal agency budget development, review, and approval processes. The authority shall submit a copy of the criteria to the appropriate policy and fiscal committees of the Legislature.

(p) Meet jointly with the Bay-Delta Public Advisory Committee at least once annually.

79422. By December 15, 2003, develop a pilot program in coordination with the Department of Personnel Administration, the State Personnel Board, the Department of General Services, and the Department of Finance to develop and implement actions that are intended to increase the administrative efficiency of the authority, including, but not limited to, budgeting, contracting, purchasing, and personnel management. The authority shall submit a report

summarizing the implementation of this section to the appropriate policy and fiscal committees of the Legislature not later than 120 days after the authority commences the implementation of the pilot program.

79423. (a) The implementing agencies shall annually submit to the director their annual program plan and proposed budget for the following budget year describing how each implementing agency proposes to implement their respective program elements during the following budget year. The director shall then submit a comprehensive budget proposal to the Secretary of the Resources Agency for consideration consistent with the existing budget development process. Individual departmental budget requests are exempt from the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). These programs shall also address environmental justice concerns and assess the impacts of projects and activities on tribal trust resources and tribal governmental concerns.

(b) Each annual program plan and proposed budget shall include programs that are designated as Category A programs in Attachment 3, entitled "Implementation Memorandum of Understanding" of the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, or as it may be amended.

(c) Annually, the authority shall consult with the agencies identified in subdivision (f) of Section 79401 and the Bay-Delta Public Advisory Committee, and shall determine, with the concurrence of the implementing agencies, those changes that shall be made to the list of Category A programs.

(d) Each annual program plan and proposed budget shall include program priorities, work plans, proposed budgets, and significant program products, including, but not limited to, regulations, grant or loan solicitations, schedules for production of environmental documents, and project selection processes.

(e) Annual program plans and proposed budgets also shall include a strategy and proposed budget for addressing program-specific, critical scientific uncertainties, developing and implementing performance measures, evaluating program actions, developing strategies for incorporating tribal and environmental justice interests, and conducting scientific review of program implementation and proposed projects. The implementing agency and the director shall consult with the lead scientist, as appropriate, to determine an appropriate science strategy and proposed budget.

(f) The implementing agencies shall develop comprehensive tribal and environmental justice work plans, including specific goals and objectives and projected expenditures that address all program areas.

(g) The implementing agencies shall coordinate the preparation of annual program plans and proposed budgets with agencies participating in the California Bay-Delta Program, federally recognized Indian tribes, and other appropriate agencies.

(h) The implementing agencies and the director shall seek to integrate the annual plans and proposed budgets for the program elements into a comprehensive and balanced annual implementation plan.

(i) Annually, the authority shall review and approve, and, as appropriate, may recommend that implementing agencies modify, multiyear program plans and long-term expenditure plans on behalf of Category A programs, based on the following criteria:

(1) Consistency with the program.

(2) The balanced achievement of the program's goals and objectives.

(j) If the authority does not approve an implementing agency's multiyear program plan and long-term expenditure plan, the authority shall prepare and submit written findings to the appropriate policy and fiscal committees of the Legislature and the implementing agencies, describing how the multiyear

program plan and long-term expenditure plan do not meet the criteria adopted by the authority pursuant to subdivision (o) of Section 79421.

(k) If the authority recommends modification to implementation of the Budget Act for the current fiscal year or the multiyear program plan and long-term expenditure plan, the implementing agency shall resubmit the Budget Act implementation plan, the multi-year plan, or the long-term expenditure plan, as appropriate, to the authority for approval. If an implementing agency makes any of the modifications recommended by the authority, the authority shall submit these modifications to the Legislature.

(l) Nothing in this division limits or interferes with the final decisionmaking authority of the implementing agencies.

(m) This section shall become operative only if AB 2683 (Canciamilla) and Senate Bill 1653 of the 2001-02 Regular Session are both chaptered and become effective on or before January 1, 2003, and AB 2683 is chaptered last, in which case this section shall prevail over Section 79420, as added by Senate Bill 1653.

Article 3. Limitations on Powers and Duties

79430. The authority shall comply with all applicable state and federal laws, including state water laws.

79431. The authority may not levy taxes, user fees, or assessments without explicit legislative approval.

79432. The authority shall exercise its powers consistent with the California Environmental Quality Act (Division 13 commencing with Section 21000) of the Public Resources Code). Nothing in this division prevents the modification or supplementation of the CALFED Final Programmatic Environmental Impact Statement/Environmental Impact Report, certified by the Secretary of Resources August 28, 2000, or defines the manner in which that document may be used.

79440. For the purposes of this division, "implementing agency" includes those state agencies identified in Section 79441 until the United States, by statute or otherwise, has authorized the identified federal agencies to participate in the governance and implementation of the Bay-Delta Program in the manner set forth in this division. Until that federal authorization has been provided, the state implementing agencies shall consult, cooperate, and coordinate with federal agencies in all matters related to implementation of the program.

79441. (a) The department, the Department of Fish and Game, and the United States Army Corps of Engineers are the implementing agencies for the levee program element.

(b) The state board, the United States Environmental Protection Agency, and the State Department of Health Services are the implementing agencies for the water quality program element.

(c) The Department of Fish and Game, the United States Fish and Wildlife Service, and the United States National Marine Fisheries Service are the implementing agencies for the ecosystem program element. If interests in land, water, or other real property are acquired, those interests shall be acquired from willing sellers by means of entering into voluntary agreements.

(d) The department and the United States Bureau of Reclamation are the implementing agencies for the water supply reliability, storage, and conveyance elements of the program.

(e) The department, the state board, and the United States Bureau of Reclamation are the implementing agencies for the water use efficiency and water transfer program elements.

(f) The Resources Agency, the state board, the department, the Department of Fish and Game, the United States Natural Resources Conservation Service, the United States Environmental Protection Agency, and the United States Fish and Wildlife Service are the implementing agencies for the watershed program element.

(g) The authority is the implementing agency for the science program element.

(h) The department, the Department of Fish and Game, United States Bureau of Reclamation, the United States Fish and Wildlife Service, and the United States National Marine Fisheries Service are the implementing agencies for the environmental water account program element.

Article 4. Staff

79450. The Governor, in consultation with the Secretary of the Interior, shall appoint a director who shall serve at the pleasure of the authority.

79451. The director shall administer the affairs of the authority as directed by the authority and shall direct the staff of the authority. The annual salary of the director shall be as provided by Section 11552 of the Government Code.

79452. (a) The authority, with the advice of the director, shall appoint a lead scientist. The lead scientist shall report to the authority. The lead scientist, in cooperation with the implementing agencies, shall be responsible for the development of the science program element.

(b) The lead scientist shall meet the following requirements:

(1) Has undertaken substantial scientific research work in any field related to one or more of the program elements.

(2) Has experience managing environmental issues or advising high-level managers in methods for promoting science-based decisionmaking in the areas of water management and ecosystem restoration.

(3) Has a record of publication in peer reviewed scientific literature.

(c) For all program elements, the lead scientist shall ensure scientific application of adaptive management, monitoring, and investigations to reduce uncertainties, and full investigation of the effects of each program element on other program elements.

(d) The lead scientist shall ensure that peer review is employed extensively and prudently to ensure the quality of program planning, implementation, and evaluation.

(e) The purpose of the science program element shall be to carry out all of the following functions:

(1) Provide implementing agencies and the authority with authoritative and unbiased reviews of the state of scientific knowledge relevant to management and decisionmaking for the California Bay-Delta Program.

(2) Implement programs and projects to articulate, test, refine, and improve the scientific understanding of all aspects of the bay-delta and its watershed areas.

(3) Provide a comprehensive framework to integrate, monitor, and evaluate the use of adaptive management and the best available scientific understandings and practices for implementing the California Bay-Delta Program.

(4) Independently review the technical and scientific performance of the California Bay-Delta Program, including, but not limited to, all of the following:

(A) Conclusions.

(B) Studies, monitoring, performance measures.

(C) Data analyses.

(D) Scientific practices that form the scientific bases for program decisionmaking.

79453. (a) The director may appoint and hire staff as necessary to administer the affairs of the authority.

(b) This section shall become operative only if AB 2683 (Canciamilla) and Senate Bill 1653 of the 2001-02 Regular Session are both chaptered and become effective on or before January 1, 2003, and AB 2683 is chaptered last, in which case this section shall prevail over Section 79420, as added by Senate Bill 1653.

79454. The director shall organize authority staff in a manner best suited to administer the affairs of the authority and oversee a complex multiagency program.

79455. (a) Notwithstanding any other provision of law, and only for the purposes of this division, the authority may hire members of federally recognized Indian tribes and nonprofit organizations in accordance with the inter-jurisdictional employee exchange program described in Section 427 of Title 2 of the California Code of Regulations.

(b) This section shall become operative only if AB 2683 (Canciamilla) and Senate Bill 1653 of the 2001-02 Regular Session are both chaptered and become effective on or before January 1, 2003, and AB 2683 is chaptered last, in which case this section shall prevail over Section 79420, as added by Senate Bill 1653.

79456. Notwithstanding Section 19818.10 of the Government Code, and in cooperation with the State Personnel Board, and the Department of Personnel Administration, the authority shall establish personnel classifications, including a new management level classification, specific to the authority's unique role in oversight and coordination.

Article 5. Advisory Committee

79460. (a) The authority shall provide administrative support for the Bay-Delta Public Advisory Committee.

(b) The authority shall take any administrative actions necessary to maintain the Bay-Delta Public Advisory Committee's status as an advisory committee under the Federal Advisory Committee Act (Public Law 92-463, as amended).

(c) The authority shall provide assistance to the Governor and Secretary of the Interior to ensure that the candidates for appointment to the Bay-Delta Public Delta Public Advisory Committee are representatives of federally recognized Indian tribes or "stakeholder" groups, reflect a geographic diversity and diversity of interests affected by the health of the bay-delta, and have expertise in the relevant fields as specified in the committee's federal charter. Appointment shall be made to ensure that the committee as a whole is both balanced and diverse.

(d) The Bay-Delta Public Advisory Committee shall advise and make recommendations to the authority and director on issues related to the California Bay-Delta Program and any of the processes, projects, or programs required by this division.

(e) The members of the Bay-Delta Public Advisory Committee may receive reimbursement for necessary travel expenses incurred by the members in the performance of the members' duties, consistent with state per diem rates.

Article 6. Independent Science Board

79470. (a) The lead scientist shall nominate, and the authority shall establish, a board of independent scientists, to be known as the Independent Science Board, that shall advise and make recommendations to the authority

and the Bay-Delta Public Advisory Committee, as appropriate, on the science relative to implementation of all program elements.

(b) The authority may recognize an existing board of independent scientists as members of the board required by this section.

(c) The authority shall respond in writing to the advice and reviews prepared by the Independent Science Board.

79471. The lead scientist may establish, consistent with subdivision (c) of Section 79403.5 and in cooperation with the implementing agencies, additional independent science panels to assist the implementing agencies and the authority by reviewing and providing advice on scientific issues associated with individual program elements, reviewing multiple program actions within scientific geographic areas, and defining the state of knowledge relative to specific scientific issues. Members of additional independent science panels may also be members of the Independent Science Board.

CHAPTER 3. SUNSET

79475. This division shall remain in effect only until January 1, 2006, and as of that date is repealed, the Secretary of the Resources Agency determines that federal legislation has been enacted authorizing the participation of appropriate federal agencies in the authority. Upon making that determination, the Secretary of the Resources Agency shall notify, in writing, the Secretary of State with regard to that determination.

79476. Notwithstanding any other provision of law, the authority may not undertake any activities pursuant to this division if the authority fails to submit the annual report described in subdivision (f) of Section 79421 on or before March 15 of the year following the year in which the report was required to be submitted.

**Achieving an Equivalent Level of Health Protection (ELPH):
A Synthesis of ELPH Meanings**

Drinking Water Subcommittee
California Bay-Delta Public Advisory Committee

August 27, 2002

CALFED's specific water quality targets, as described in the Record of Decision, are to achieve either a) average concentrations at Clifton Court Forebay and other south and central Delta drinking water intakes of 50 ug/L bromide and 3.0 mg/L total organic carbon (TOC); or b) *an equivalent level of public health protection* (emphasis added) utilizing a cost effective combination of alternative source waters, source control, and treatment technologies.

To date, twelve Drinking Water Subcommittee members have described what "An Equivalent Level of Public Health Protection," referred to as "ELPH" or "ELPHP," means to them. Across the majority, there is a high level of consensus on a number of issues.

- The "50/3" ROD targets serve as a surrogate indicator of the quality of Delta waters as a drinking water supply, based on the best available science, regulations, and technology at the time the ROD was adopted. The use of a surrogate also encompasses other drinking water quality issues, such as salinity, which is linked to bromide in Delta waters.
- There is a need to develop a baseline of health risk represented by the "50/3" ROD targets for bromide and total organic carbon, covering both chronic and acute risks, which could then serve as a benchmark for achieving an equivalent level of public health protection in other ways.
- Adaptive management, with supportive and systematic monitoring and assessment, should be utilized. There should be flexibility in the program without compromising the health promised by the "50/3" targets.
- CALFED's strategy for water quality should contain tools that are flexible and can be adapted to local and regional conditions. CALFED's strategy should also contemplate incremental steps to improvement where appropriate, utilizing short-term measures while long-term measures are being implemented.
- The tools used to improve water quality (see ELPH diagram) should result in solutions that afford equity to all stakeholders, are both robust and cost-effective, and provide multiple benefits (to other CALFED program elements). The tools should be evaluated to determine how well they perform in the context of the CALFED solution principles (both alone and in combination).
- The strategy could identify and recommend best management practices (BMPs) and best available technologies (BATs) for both source control and treatment technologies.
- There needs to be better definition of the regulatory and equity implications of the "50/3" ROD targets.
- The Drinking Water Policy developed by the Central Valley Regional Water Quality Control Board should be a component of the ELPH strategy.
- Water quality modeling and economic modeling should be employed to support decision making when implementing ELPH.

Memorandum

Date: May 31, 2002

To: California Bay-Delta Public Advisory Committee

From: Greg Gartrell and Marguerite Young, Co-Chairs
Drinking Water Subcommittee

Subject: Agenda Item 4: Subcommittee Recommendation – *(Action: Adopt the Subcommittee Recommendation on Water Quality Project Priority for Advanced Treatment Studies)*

Summary

CALFED agencies have adopted a general target of continuously improving Delta water quality for all uses. CALFED agencies' target for providing safe, reliable, and affordable drinking water in a cost-effective way, is to achieve either: (a) average concentrations at Delta drinking water intakes of 50 µg/L bromide and 3.0 mg/L total organic carbon, or (b) an equivalent level of public health protection (ELPHP) using a cost-effective combination of alternative source waters, source control and treatment technologies. Fundamental to the CALFED Drinking Water Quality Program is a requirement for adequate information on advanced treatment methods that will: 1) evaluate alternative approaches to drinking water treatment, 2) allow a Clean Water Act 404 analysis of the "Least environmentally damaging practicable alternative" (LEDPA) so that decisions can be made on other CALFED projects, and 3) allow the determination of the ELPHP. Indeed, the strategy diagram for ELPHP (Attachment 1) shows many important CALFED elements flowing to treatment. Consequently, all of the Stage 1 CALFED Drinking Water Quality Program is now or will become dependent upon the determination of the capabilities of advanced treatment of Delta water.

Recommended Action

The Drinking Water Subcommittee recommends the Committee adopt the recommendation that the CALFED Program immediately place a high priority on funding and implementing pilot project(s) on advanced treatment processes for drinking water to ensure the necessary information is available as soon as possible that will:

- 1) ensure that the LEDPA analyses and permitting for CALFED storage, conveyance and other projects can be completed on schedule;
- 2) produce data that will aid the characterization of the Equivalent Level of Public Health Protection for agencies dependent upon Delta supplies for drinking water;
- 3) aid CALFED in meeting its overall drinking water quality goals.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Background

The subcommittee considered this issue at its April 5, 2002 meeting and reviewed a draft memorandum. A final memorandum to the BDPAC dated April 25, 2002 (Attachment 2) was prepared incorporating subcommittee comments.

The importance of studies on advanced treatment was raised previously under the Delta Drinking Water Council. The CALFED Water Quality Program has funded several studies on some advanced treatment methods. As discussed in the attached memorandum, there are a number of reasons for putting a high priority on completing the necessary advanced drinking water treatment studies. These include:

- A number of conveyance and storage projects will require a 404 analysis that in many cases includes advanced treatment as part of an alternative. These studies would be a necessary part of the permitting process.
- A number of ecosystem restoration projects and programs (including environmental water programs) have the potential to degrade water quality, causing increased bromides and organic carbon in delivered water. Advanced treatment studies could be required as part of the permitting and mitigation programs for these projects.
- Advanced treatment studies are a part of the CALFED Water Quality Program and are needed for meeting the overall program goals.
- The determination of alternatives to meeting the ELPHP requires advanced treatment studies.

The attached memorandum also sets forth requirements for the studies, including peer review in coordination with the CALFED Science Program. The studies should include the variability in Delta water quality and treatment methods and should cover a wide variety of advanced treatment methods, including ultra-violet disinfection, membranes and multiple disinfectants.

The results of advanced treatment studies are critically needed in order to ensure that the Stage 1 program remain on track, and that the necessary information is available within and at the end of Stage 1, when important decisions must be made on the direction of future CALFED program elements.

Requested Action

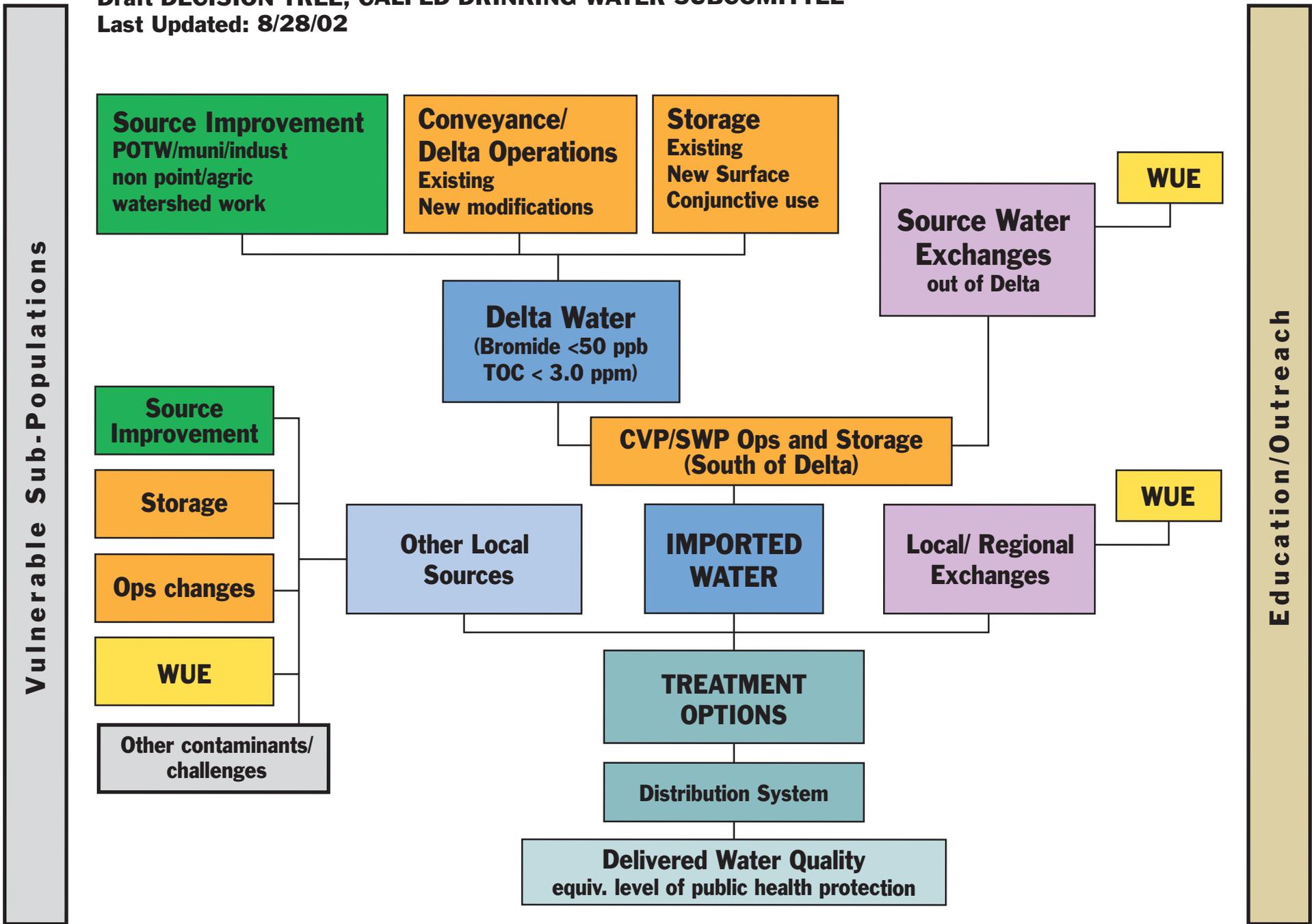
The Committee adopts the recommendation that the CALFED Program immediately place a high priority on funding and implementing pilot project(s) on advanced treatment processes for drinking water to ensure the necessary information is available as soon as possible that will:

- 1) ensure that the LEDPA analyses and permitting for CALFED storage, conveyance and other projects can be completed on schedule;
- 2) produce data that will aid the characterization of the Equivalent Level of Public Health Protection for agencies dependent upon Delta supplies for drinking water;
- 3) aid CALFED in meeting its overall drinking water quality goals.

Attachments:

- 1) Equivalent Level of Public Health Protection Strategy Diagram
- 2) April 25, 2002 memo from Greg Gartrell to the BDPAC

EQUIVALENT LEVEL OF PUBLIC HEALTH PROTECTION
Draft DECISION TREE, CALFED DRINKING WATER SUBCOMMITTEE
 Last Updated: 8/28/02



MEMORANDUM

DATE: April 25, 2002 (modified August 23, 2002 per Subcommittee discussion)

TO: Bay-Delta Public Advisory Committee (BDPAC)

FROM: Greg Gartrell, Co-chair Drinking Water Subcommittee

SUBJECT: **Agenda Item on Water quality project priority: Advanced treatment studies**

INTRODUCTION

CALFED Agencies have adopted a general target of continuously improving Delta water quality for all uses, including in-Delta environmental and agricultural uses. For the drinking water quality program, CALFED Agencies have developed a specific goal based upon extensive stakeholder and agency involvement. CALFED Agencies' target for providing safe, reliable, and affordable drinking water in a cost-effective way, is to achieve either: (a) average concentrations at Clifton Court Forebay and other southern and central Delta drinking water intakes of 50 µg/L bromide and 3.0 mg/L total organic carbon, or (b) an equivalent level of public health protection (ELPHP) using a cost-effective combination of alternative source waters, source control and treatment technologies.

CALFED Agencies will aggressively pursue a mix of strategies in order to improve in-Delta water quality. Program actions to address the drinking water quality concerns of the more than 22 million Californians who rely on Delta water fall into four broad categories. These actions will:

- Enable users to capture higher quality Delta water for drinking water purposes.
- Reduce contaminants and salinity that impair Delta water quality.
- Evaluate alternative approaches to drinking water treatment to address growing concerns over disinfection byproducts and salinity.
- Enable voluntary exchanges or purchases of high quality source waters for drinking water uses.

None of these actions, by itself, can assure adequate supplies of good quality drinking water for California. They must all be pursued, in conjunction with other CALFED actions such as conveyance and storage improvements, to generate significant improvements in drinking water at the tap.

Fundamental to the above CALFED Drinking Water Quality Program as described above (which is quoted from the ROD) is a requirement for adequate information on advanced treatment methods that will: 1) directly address the elements in the third bullet, 2) allow a Clean Water Act 404 analysis of the "Least environmentally damaging practicable alternative" (LEDPA) so that decisions can be made on CALFED projects, including projects falling under the first and fourth bullets, and 3) allow the determination of the ELPHP. Indeed, the strategy diagram for ELPHP (attached) shows all elements described in the bullets above flowing to treatment. Consequently, all of the Stage 1 CALFED Drinking Water Quality Program is now or will become dependent upon the determination of the capabilities of advanced treatment of Delta water.

RECOMMENDATION TO THE BDPAC

That the BDPAC recommend that the CALFED Program immediately place a high priority on funding and implementing pilot project(s) on advanced treatment processes for drinking water to ensure the necessary information is available as soon as possible that will:

- 1) ensure that the LEDPA analyses and permitting for CALFED storage, conveyance and other projects can be completed on schedule
- 2) produce data that will aid the characterization of the Equivalent Level of Public Health Protection for agencies dependent upon Delta supplies for drinking water
- 3) aid CALFED in meeting its overall drinking water quality goals.

DISCUSSION

The advanced treatment pilot plant studies that are required should adequately address the following issues:

- 1) The focus should be on treating Delta water or Delta water mixed with other sources.
- 2) The studies should recognize the large variability of water quality in the Delta, and the variability extends over space and time (water quality varies seasonally, and by location; water quality in the North Bay Aqueduct, the Contra Costa Canal, the State and Federal Aqueducts all vary significantly).
- 3) The studies should deal with the different treatment strategies that different agencies apply to their local situations (one size does not fit all in treatment).
- 4) The studies must build on current information and actual treatment processes, and should be coordinated with the planning needs of the participating agencies in order to provide the greatest research benefit.
- 5) The studies should be immediately applicable, taking advantage of existing information, science and technology (for example, membranes, UV, ozone and other disinfectants).
- 6) The studies should be designed to ensure that all necessary information is available for CALFED decisions regarding storage and conveyance or other projects requiring a LEDPA analysis, or for decisions on programs that affect Delta water quality, including ecosystem restoration projects or for decisions on the appropriate levels of demand management.
- 7) The studies must be consistent with the CALFED Drinking Water Quality Goals and the ROD.
- 8) The studies must provide information that will help in the determination of the ELPHP.
- 9) The studies must be peer reviewed , in coordination with the Science Program.
- 10) The Drinking Water Subcommittee should appoint a technical committee to track and report to the subcommittee on the progress of the studies and to provide feedback to the studies.
- 11) The studies should focus on critical information gaps, including use of membranes, Ultra-Violet (UV) light disinfection, multiple disinfectants and other advanced treatment methods, how these methods can be used with existing treatment processes.
- 12) The studies should deal with: disinfection improvements; removal of pathogens; reductions to DBPs and other constituents; taste and odor control; and, nitrification control and other distribution system improvements.
- 13) Applications of the studies in other areas, including treatment for recycled water, should be considered in funding priorities.

FUNDING

CALFED should consider several sources of funding for these studies. The Water Quality Program does not necessarily have to fund these studies entirely because the information required is also necessary for permitting in some other areas (for example, projects that require 404 permits and that have a water quality impact or purpose would need this information, including some projects falling under storage, conveyance, ecosystem restoration, and possibly others). Cross-cut funding can be made available from these programs. Since the ultimate beneficiaries may not be known until later dates

when decisions are made on projects, it might be appropriate to use cost sharing from these program areas until a determination is made of beneficiaries, consistent with the policy developed for storage (“Generally, the planning and feasibility stages of surface storage projects will be pursued with State and Federal public funding. If a project is determined to be feasible, a cost allocation plan will be prepared as part of the design phase, preliminary cost allocations secured before construction begins, and final cost allocation agreements implemented prior to project completion.”)

SCHEDULE

An advanced treatment pilot plant project should be funded and implemented as soon as possible both because of the need for better information for the Drinking Water Quality Program and the large number of projects that either will require or may require information for completion of the permitting processes in the near future. The schedules for some CALFED projects that may need information from the advanced treatment research studies are:

- | | |
|----------------------------------------------------------------|----------------------------------------------|
| ▪ In-Delta storage | End of 2002 (complete EIR) |
| ▪ Bay Area Water Quality &
Water Supply Reliability Program | Complete environmental studies by 2003 |
| ▪ Friant-MWD Water Quality Exchanges | Complete environmental review by end of 2004 |
| ▪ Los Vaqueros Reservoir Expansion Studies | Complete environmental studies by 2003 |
| ▪ San Joaquin Storage | Complete environmental review by mid-2006 |
| ▪ San Luis Low-Point Improvement Project | Complete studies by 2003 |
| ▪ Delta Cross Channel gate studies | Complete studies by 2003 |
| ▪ Through Delta Facility (4,000 cfs screened intake) | Complete studies by 2003 |
| ▪ 8,500 cfs increase to Banks Pumping Plant | Complete EIR by end of 2002 |

Other surface or groundwater storage projects, depending on impacts or purposes, may also require this information.

In addition, numerous ecosystem restoration projects can affect water quality (salinity) through alteration of tidal flows in the Delta or changes in organic loading. These projects will affect water quality in the Delta and which in turn affects the ELPHP and the ability of CALFED to meet its goal of continuous improvement in Delta water quality. This creates a critical linkage between the ecosystem restoration program and the water quality improvement goals. Likewise, the use of water prescribed under the Environmental Water Account, the CVPIA b(1), b(2) and b(3) programs, the ERP water purchases and the biological opinions can all affect water quality in the Delta, and as such, are all critically linked to the water quality improvement goals.

Considering all these factors, it is vital to implement studies as soon as possible and CALFED should give them a high priority.

cc: John Andrew
Patrick Wright

Memorandum

Date: August 27, 2002

To: California Bay-Delta Public Advisory Committee

From: Greg Gartrell and Marguerite Young, Co-Chairs
Drinking Water Subcommittee

Subject: Agenda Item 4: Subcommittee Recommendation – *(Action: Adopt the Subcommittee Recommendation on Recommendations to the State and Regional Board's Pursuant to SB 390)*

Summary

CALFED agencies have adopted a general target of continuously improving Delta water quality for all uses. CALFED agencies' target for providing safe, reliable, and affordable drinking water in a cost-effective way, is to achieve either: (a) average concentrations at Delta drinking water intakes of 50 µg/L bromide and 3.0 mg/L total organic carbon, or (b) an equivalent level of public health protection (ELPHP) using a cost-effective combination of alternative source waters, source control and treatment technologies. Source water protection is one of the key tenets of the multi-pronged approach that CALFED has adopted for achieving water quality improvement.

The Central Valley Regional Water Quality Control Board (CVRWQCB) is still several years away from developing a comprehensive drinking water policy, as required by the CALFED Program Record of Decision. However, the State Water Resources Control Board (SWRCB) and CVRWQCB are moving forward very soon on at least one initiative could afford a significant opportunity to improve drinking water quality. This fall, the SWRCB and CVRWQCB must act in accordance with the provisions of SB 390, a 1999 law requiring waivers for non-point sources to sunset at the end of 2002. The waivers cover a variety of activities that take place on lands in the Bay-Delta Watershed including but not limited to agriculture and silviculture.

According to the most recent sanitary survey for the State Water Project, agricultural drainage and runoff contribute significant amounts of organic carbon, salts, pesticides, pathogens and other constituents to the waters of the Sacramento and San Joaquin rivers. Silvicultural practices can increase sediments and carbon loads. All of these constituents degrade source water quality for drinking water beneficial uses (and other beneficial uses). Commendable efforts are underway in many sectors to improve water quality associated with non point sources. Rice growers in the Sacramento Valley have demonstrated how effective implementation of BMPs can be in successfully reducing loadings of rice herbicides. In urban areas, cities have shown that the toxicity of urban runoff can be lessened with best management practices developed in association

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

with stormwater discharge permits. These examples are heartening; however, much more monitoring is needed to better understand, assess and manage the loads of these contaminants. Development of a more comprehensive suite of appropriate best management practices to prevent pollution and improve water quality is also needed. The Boards' pending action with regard to SB 390 affords a significant opportunity for the state to make progress in both of these areas.

Background

The subcommittee heard a presentation on the Central Valley Board's timeline for developing a drinking water quality policy at its July 23 meeting. At its August 24th meeting following a presentation on source improvement, the subcommittee developed the recommendation as a group.

Under the MOU on the Drinking Water Quality Program (DWQP) Management, the "SWRCB/CVRWQCB and USEPA have primary responsibility for source water protection, including agricultural drainage management." Furthermore, the MOU state that "In consultation with DHS, SWRCB/CVRWQCB and USEPA will have primary responsibility for the development of ambient water quality objectives for drinking water contaminants and their precursors." It is appropriate, therefore, that the SWRCB and CVRWQCB, as part of their actions related to SB 390 coordinate those actions with the CALFED Program objectives, including the DWQP. The recommendation is that actions related to the implementation of SB390 incorporate two aspects of the CALFED DWQP: monitoring and assessment for constituents of concern for drinking water quality and development, implementation and assessment of BMPs for reducing impacts of discharges that currently have waivers from regulation.

Requested Action

The Drinking Water Subcommittee of the Bay-Delta Public Advisory Committee requests that the Bay-Delta Public Advisory Committee urge the State Water Resources Control Board and the Central Valley Regional Water Quality Control Board, as member agencies of the CALFED Program, incorporate drinking water quality parameters of concern into its actions pursuant to SB 390. In doing so, we encourage the Boards to consider the following activities for inclusion:

1. Monitoring and assessment for constituents of concern for drinking water quality centrally coordinated and maintained among various programs collecting data.
2. Development, implementation and assessment of Best management practices to reduce loadings of drinking water constituents of concern

Memorandum

To: Gary Hunt, Chair,
Bay Delta Public Advisory Committee

From: David Guy & Frances Spivy-Weber, Co-Chairs,
Water Use Efficiency Subcommittee

Date: September 3, 2002

Re: Advise Adoption of Urban Water Conservation Certification by CALFED
Agencies

Consensus-Recommended BDPAC Action

The Water Use Efficiency Subcommittee unanimously endorses the Staff Proposal on Urban Conservation Certification, with enactment of legislation and subsequent implementation contingent on the resolution of the critical issues outlined in Section Two (Implementation Considerations – Program Balance Discussions) of the attached document (Detailed Framework). In putting forward this request, the WUE Subcommittee further recognizes that successful implementation of the Certification proposal necessitates aggressive funding and we, therefore, ask that the BDPAC advise CALFED Agencies to provide a level of WUE funding consistent with the August 2000 CALFED Record of Decision (ROD).

Rationale for WUE Subcommittee Support

The WUE Subcommittee unanimously supports the approach outlined in the attached Staff Proposal. This support, coming from agricultural, urban and environmental stakeholders, rests on the staff's development of a framework that: (1) is consistent with CALFED goals and objectives; (2) builds on the California Urban Water Conservation Council's existing work, yet preserves its objectivity; (3) offers an implementable strategy for moving forward; (4) provides individual water suppliers with tangible and realistic performance measures capable of yielding meaningful results; (5) acknowledges the important technical work yet to be done; and, (6) is consistent with existing regulatory and management roles of CALFED agencies. Additionally, the proposal was developed through and will continue to benefit from meaningful public involvement.

Background

This document outlines the CALFED Bay-Delta Program's proposed conceptual framework for certifying urban water conservation by testing compliance with the terms of the Urban Memorandum of Understanding (MOU). This framework is intended to guide the development and eventual implementation of an urban water conservation certification process, as called for in the ROD.

This approach – an important part of the overall package of WUE assurances – provides stakeholders with a clear definition of the success of the CALFED Urban WUE component and provides CALFED Agencies with a clear process for gauging and reporting WUE status. The outcomes associated with this framework are expected to be an important part of the ROD-specified Year-4 WUE Assessment, which in turn is

expected to be an important consideration in seeking regulatory approval for surface storage projects.

Stakeholder Involvement

The concepts incorporated into this framework build on past urban MOU certification discussions. As well, the proposed draft has been informed by extensive discussions in the spring of 2002 with a Staff Work Group consisting of nearly two-dozen water suppliers, environmental and CALFED agency representatives and partners. Finally, this proposal has been discussed at five public workshops throughout the State, and at two meetings of the WUE Subcommittee. (See **Attachment 2** for a summary of public comments.)

Next Steps

As noted above, implementation of an urban MOU certification program will necessitate timely resolution of several outstanding issues. Progress is already being made to resolve some of the technical uncertainties related to this proposal. With BD-PAC approval, staff will begin drafting elements of certification legislation consistent with the attached proposal. Given the complexity and number of issues yet to be resolved, an urban certification program is expected to be fully implemented no sooner than 2004.

Related Efforts

In addition to providing valuable feedback on the attached certification proposal, the WUE Subcommittee has also requested staff to develop a set of urban programmatic conservation milestones. Staff is moving forward with this recommendation and expects to develop a proposal over the next six to nine months.

Attachments

Attachment 1: Staff Proposal for Urban Water Conservation Certification

Attachment 2: Summary of Stakeholder Comments

CALFED Bay-Delta Program

**STAFF PROPOSAL FOR URBAN WATER
CONSERVATION CERTIFICATION**

**For Discussion at the September 19, 2002,
Bay-Delta Public Advisory Committee
Meeting**

Prepared by the Water Use Efficiency Element

CALFED Bay-Delta Program

Staff Proposal for Urban Water Conservation Certification

A Conceptual Framework for Certifying Water Supplier Compliance with the Terms of the Urban Memorandum of Understanding

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CALFED Bay-Delta Program
Staff Proposal for Urban Water Conservation Certification
A Conceptual Framework for Certifying Water Supplier Compliance
with the Terms of the Urban Memorandum of Understanding

EXECUTIVE SUMMARY

SECTION I: INTRODUCTION

Intent and Use of This Document

This document outlines the CALFED Bay-Delta Program's proposed conceptual framework for certifying urban water conservation by testing compliance with the terms of the Urban Memorandum of Understanding (MOU).

This framework is intended to guide the development and eventual implementation of an urban water conservation certification process. Staff recognizes that this proposed approach will be reviewed and refined over the next six months through a process that will include informal briefings with affected communities, as well as formal review by CALFED public advisory bodies and CALFED agency decision-makers. Staff expects any final proposal will require legislative action during the 2003 session.

Implementation of an urban MOU certification program will necessitate resolution of outstanding issues related to program balance and technical/operational uncertainties. Successful implementation of the overall urban WUE program also will require funding consistent with the August 2000 CALFED Record of Decision (ROD).

CALFED recognizes that, as the program moves forward, it may well encounter unanticipated barriers and outcomes. CALFED intends to develop a programmatic Milestones analysis that quantifies the expected benefits of urban conservation and then lays out the possible barriers to successful implementation and potential responses. Such an initiative will be distinct from the proposed certification program.

CALFED Water Use Efficiency Program Background

The CALFED Bay-Delta Program is a cooperative effort among state and federal agencies and the public to ensure a healthy ecosystem, reliable water supplies, good quality water, and stable levees in California's Bay-Delta system.

The WUE element, consisting of agricultural, urban, water recycling and managed wetlands components, is one of several CALFED program elements. The ultimate goal of the WUE Element is to develop water use efficiency programs and assurances that contribute to CALFED goals and objectives, have broad stakeholder acceptance, foster efficient water use, and help support a sustainable economy and ecosystem.

A key foundation for the urban component is the California Urban Water Conservation Council's (CUWCC) Memorandum of Understanding (MOU), a broadly supported agreement specifying 14 urban water conservation best management practices (BMPs). The MOU is implemented by the CUWCC, a non-profit organization consisting of urban water suppliers, environmental organizations and other interested parties.

Impetus for the Development of an Urban Certification Conceptual Framework

The CALFED ROD includes the following commitment: “By the end of 2002, CALFED Agencies will implement a process for certification of water suppliers’ compliance with the terms of the Urban Memorandum of Understanding (MOU).” This document is an important step in fulfilling this ROD commitment.

Process for Developing the Proposed Approach

The concepts incorporated into this framework build on past urban MOU certification discussions, including: (1) statewide public workshops held in February 1999; (2) deliberations within CALFED; (3) talks within and among CUWCC participants; and, (4) previous stakeholder-to-stakeholder discussions.

As well, the proposed draft has been informed by extensive discussions over the past three months with a Staff Work Group consisting of nearly two-dozen water supplier, environmental and CALFED agency representatives and partners. Work Group members participated in this informal public forum as individuals and were not convened to provide consensus advice. Meetings were noticed and open to the public.

WUE staff believes this framework is well informed, acknowledges urban water suppliers’ past conservation efforts, is capable of being broadly supported by affected stakeholder communities and provides sufficient detail to move forward with policy-level discussions on certification implementation.

SECTION II: DESCRIPTION OF PROPOSED CERTIFICATION PROCESS

Framework Considerations

WUE staff has identified several critical issues that need to be addressed prior to the enactment of legislation and subsequent implementation. These issues include: (1) resolving MOU-related technical/operational uncertainties; (2) incorporating a balanced and compelling package of incentives and disincentives; (3) integrating an urban certification framework with existing California Public Utilities Commission (CPUC) processes; (4) refining urban MOU certification program costs and funding estimates; and, (5) assessing Program balance, both within WUE and across all CALFED elements. The framework puts forward a suggested timeframe for CALFED policy-making bodies to engage and resolve these issues.

Underlying Rationales

In developing the proposed conceptual framework, WUE staff has crafted an approach intended to be consistent with a handful of driving rationales. These include: (1) build upon the CUWCC’s experience and expertise; (2) rely on an independent entity, not the CUWCC, to take on the formal certification and appeals responsibilities; (3) develop a framework in a balanced manner that furthers conservation efforts, supports CALFED objectives and preserves the MOU’s flexibility; (4) build capacity and awareness among smaller and disadvantaged water suppliers; (5) focus certification initially on a limited number of water suppliers; (6) minimize redundancies and inconsistencies with existing regulatory and planning processes; and, (7) recognize the value of and need for an adaptive management approach.

Conceptual Framework – Key Elements

Below is a brief synopsis of the proposed conceptual framework’s key elements. The proposed framework is intended to lay out a broad conceptual approach to guide the eventual development of legislation; in some cases, greater detail is provided to make explicit those considerations stakeholders identified as being important to maintaining broad support. It is anticipated that legislative deliberations and subsequent promulgation of certification regulations, including input received through public hearings, may bring about changes to this proposed framework.

The key elements of the proposed conceptual framework are:

1. **Certification Participation and Schedule:** Participation in the certification program is required only of urban retail water suppliers with 3,000 or more connections and urban wholesale water suppliers with average annual deliveries of 3,000 or more acre-feet that are directly or indirectly hydrologically connected to the Bay-Delta.
2. **MOU Compliance Criteria:** The basis for certification criteria is the CUWCC’s urban MOU. Retail water suppliers with between 3,000 and 20,000 connections and wholesalers with between 3,000 and 10,000 acre-feet annual delivery are responsible only for filing reports on BMP implementation. Retailers with more than 20,000 connections and wholesalers with more than 10,000 acre-feet annual delivery are responsible for filing reports and being found to be in compliance with the terms of the MOU. (See Table 1 below.) Compliance with the MOU may be achieved by implementing applicable BMPs or seeking variances for “at least as effective actions” or cost-effectiveness exemptions. The intent of the framework is to embed and build on the MOU’s inherent flexibility.

Table 1: Water Supplier Participation, Schedule, And Compliance Requirements

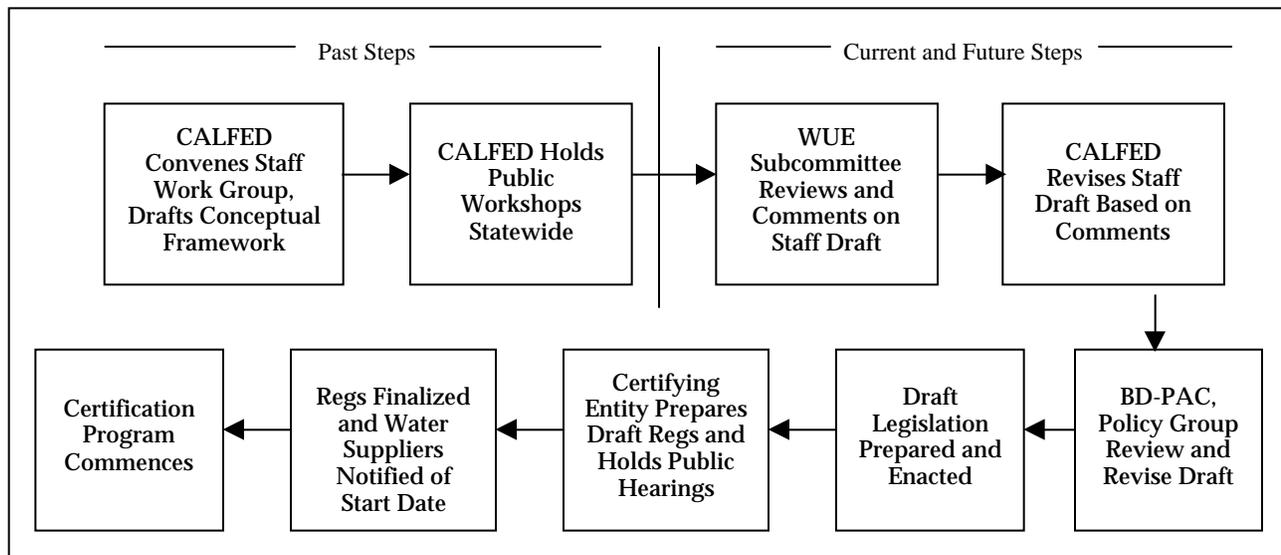
Water Supplier Category	MOU Compliance Requirements		MOU Compliance Audits
	BMP Reporting	BMP Implementation and Exemptions	
<i>Retail Water Supplier</i>			
Less than 3,000 connections	None	None	None
3,000 to 20,000 connections	Submit report on BMP implmnt, every 2 years	State Board verification that report filed every 2 years	None
More than 20,000 connections	Submit report on BMP implementation every 2 years	1. State Board verification that report filed every 2 years 2. State Board review every 2 years of water supplier exemptions, if any 3. State Board review every 4 years that water supplier is complying with MOU	Subject to random audit by State Board to verify BMP report data
<i>Wholesale Water Supplier</i>			
Less than 3,000 AF annual delivery	None	None	None
3,000 to 10,000 AF annual delivery	Submit report on BMP implementation every 2 years	State Board verification that report filed every 2 years.	None
More than 10,000 AF annual delivery	Submit report on BMP implementation every 2 years	1. State Board verification that report filed every 2 years 2. State Board review every 2 years of water supplier exemptions, if any 3. State Board review every 4 years that water supplier is complying with MOU	Subject to random audit by State Board to verify BMP report data

3. **Roles—Certification Entity and Partners:** The State Water Resources Control Board (State Board) is to be responsible for implementing the program, including making and enforcing decisions on individual water supplier compliance. The CUWCC has primary responsibility for defining and revising the terms of the MOU, maintaining a web-based database for BMP implementation, and providing technical support to water suppliers implementing and reporting BMPs. The Department of Water Resources (DWR) and the U.S. Bureau of Reclamation (USBR) are to assist in providing technical and financial assistance.
4. **Program Incentives/Disincentives:** Incentives and disincentives to promote compliance with timely BMP reporting and the MOU are to include public notice of certification status and eligibility to apply for WUE financial assistance programs. Other incentives/disincentives are expected to be considered by policy-level CALFED stakeholder and agency groups. Incentives are to be emphasized over disincentives, and disincentives are to be graduated over time. Appropriate financial and technical assistance will be made available to help water suppliers' return to compliance.
5. **Relationships Between Wholesale/Retail Urban Water Suppliers:** The MOU's primary wholesaler-related BMP (#10) is to be refined to set measurable performance standards. Wholesale and retail suppliers are to retain flexibility in designing and implementing locally cost-effective BMP conservation programs, including regional programs designed and/or implemented cooperatively by wholesale and retail suppliers. Wholesaler and retailer compliance status and eligibility for incentives/disincentives are not to be linked. Program regulations are to be structured in a manner that acknowledges and eliminates potential redundancies and inconsistencies among wholesalers and their retailers.
6. **Regulatory Linkage Considerations:** CALFED will work with DWR, USBR, and the CPUC to ensure consistency and a minimum of overlap between the urban MOU certification program and these agencies' regulatory and planning processes affecting water supplier conservation planning and program implementation.
7. **Funding Considerations.** CALFED estimates it will cost between \$1.9 million and \$2.6 million per year to administer an urban certification program: \$1.3 to \$1.8 million for SWRCB activities and \$600,000 to \$800,000 for CUWCC activities. Allocation of costs among wholesalers, retailers, ratepayers, and CALFED agencies is not yet determined. CALFED intends to work with appropriate stakeholder and CALFED decision-making bodies to develop refined cost estimates and alternative fee-based strategies.

SECTION III: NEXT STEPS

The approach outlined in this document is a staff-driven proposal informed by numerous discussions with CALFED agencies and with a diverse subset of urban water supplier and environmental stakeholders. It also has been informed by a series of public workshops conducted throughout the state in late July. As noted earlier, the approach will be further reviewed and refined through a public process that will include formal review and discussion with CALFED public advisory bodies and CALFED agency decision-makers. (See Figure 1 below.)

Figure 1: Expected Process to Develop an Urban MOU Certification Program



Expected next steps are to include the following:

- **CALFED Policy-Level Review.** WUE staff will discuss its recommended approach with various CALFED decision-making bodies, including the WUE Subcommittee, the Bay-Delta Public Advisory Committee and the CALFED Policy Group. A final recommendation on moving forward with draft legislation is expected by late 2002.
- **Legislative Deliberations.** WUE staff will work with legislative staff, as appropriate, to develop draft legislation based on the conceptual framework and subsequent discussions among stakeholder group and CALFED decision-making bodies. Legislation is expected to be considered in the 2003 session.
- **Regulation Development.** Following the enactment of legislation, the implementing entity will develop proposed regulations, seek feedback at public hearings and then promulgate a final set of regulations. As noted earlier, key technical and operational uncertainties need to be resolved prior to implementation.
- **Program Implementation.** Program implementation is expected to begin with the notification of affected water suppliers of certification schedule and requirements.

CALFED Bay-Delta Program

Staff Proposal for Urban Water Conservation Certification

Staff Conceptual Framework for Certifying Water Supplier Compliance with the Terms Of The Urban MOU

DETAILED FRAMEWORK

SECTION 1: BACKGROUND

The August 2000 CALFED Record of Decision (ROD) includes the following commitment: “By the end of 2002, CALFED Agencies will implement a process for certification of water suppliers’ compliance with the terms of the Urban Memorandum of Understanding (MOU).”

The MOU, implemented by the California Urban Water Conservation Council (CUWCC), is a broadly supported agreement specifying 14 urban water conservation best management practices (BMPs). The CUWCC is a non-profit organization consisting of urban water suppliers, environmental organizations, and other interested parties charged with overseeing the BMP process outlined by the MOU.¹ Within this document, the term “water supplier” refers to a discrete water supplier service area. Some water agencies and investor-owned utilities have multiple service areas.

Consistent with this ROD commitment, the CALFED Water Use Efficiency (WUE) Program is putting forward this proposed urban certification framework. WUE staff believes this framework – developed with input from a CALFED-convened Staff Work Group² -- is well informed, acknowledges past conservation efforts, is capable of being broadly supported by affected stakeholder communities and provides sufficient detail to move forward with policy-level discussions on certification implementation.

¹ Since 1991, 166 urban water suppliers, 29 environmental organizations, and 65 other interested parties have signed the MOU. (See **Attachment 1** for a listing of all 14 BMPs. See **Attachment 2** for a conceptual diagram of MOU compliance for BMP implementation.)

² The Staff Work group consisted of nearly two dozen water supplier, environmental and CALFED agency representatives. (See **Attachment 3** for a roster of participants.) Work Group members participated in this informal public forum as individuals and were not convened to provide consensus advice. Meetings were noticed and open to the public.

SECTION 2: IMPLEMENTATION-RELATED CONSIDERATIONS

In developing this proposed urban certification framework, WUE staff has identified several issues that need to be discussed and resolved prior to implementation. These topics – and an associated timeframe – include:

By September 2002:

Program Balance Discussions. In considering whether to authorize staff to draft and move forward with draft legislation, the WUE Program anticipates that stakeholders and policy-makers will wish to consider how urban certification will fit within the context of overall CALFED program balance. CALFED recognizes the need for balanced³ implementation across and within all CALFED Program elements (Ecosystem Restoration, Storage, Conveyance, Water Transfers, Drinking Water Quality, Watersheds, Science, Water Management, Environmental Water Account, Levee System Integrity, and Water Use Efficiency). To that end, the Bay-Delta Public Advisory Committee (BD-PAC) and the CALFED Policy Group are expected to:

- (1) Review the mix of incentives and disincentives associated with the proposed framework. The WUE Program recognizes the need to incorporate a balanced and compelling package of incentives and disincentives to foster effective urban certification program implementation. (Please see the section on incentives/disincentives.) Additional incentives/disincentives have been suggested by some stakeholder groups, but discussions related to these options are being deferred to higher policy-level bodies. These options may include linkages to: conservation elements of permitting processes, CALFED water supply-related benefits, and other (non-WUE) CALFED grants and loans.
- (2) Take stock of overall progress on urban WUE Program implementation (grant and loan funding, technical assistance, science and certification), other WUE Program components and other CALFED Program elements (see list above).

By December 31, 2002:

Progress on Technical/Operational Issues. The WUE Program recognizes the need to resolve several technical/operational issues prior to implementation. To ensure sufficient progress on these issues, the WUE Program expects to see – by the end of 2002 – the development of draft criteria and work plans for addressing these technical/operational issues, including, but not limited to:

- (1) Identifying the relevant criteria within each Best Management Practice (BMP) that must be satisfied to be considered in compliance;⁴

³ CALFED recognizes that all of its program elements are interrelated and interdependent. To that end, the ROD calls for the maintenance of an implementation schedule that ensures achievement of balanced solutions in all program areas over time.

⁴ The total list of criteria is recorded in the sections entitled “Criteria to Determine BMP Implementation Status” for each BMP in Exhibit 1 of the CUWCC MOU.

- (2) Determining methodologies related to both “at least as effective as” variances and cost-effectiveness exemptions;
- (3) Refining BMP 10 to incorporate measurable performance standards for water wholesalers; and,
- (4) Refining the science and data underpinning and related to BMPs and other conservation activities.

The California Urban Water Conservation Council is currently working on these issues and anticipates making progress, although not full resolution, by the end of 2002.

Draft Legislation. Assuming that CALFED agencies move forward with certification in the near-term, CALFED recommends that any legislative language related to an urban certification process be drafted in a manner consistent with this framework. To satisfy ROD commitments, CALFED will work with appropriate legislative and CALFED Agency staff to develop draft legislation and an associated budget by the end of 2002. CALFED further recommends that any authorizing legislation call for regulatory language to be developed with the collaborative involvement of a balanced stakeholder group familiar with the intent of this framework.

Prior to Program Implementation:⁵

Resolution of Technical/Operational Issues. Implementation of an Urban MOU Certification Program will require resolution of the technical/operational issues identified above. The WUE Program expects these issues to be resolved by the end of 2003; CALFED agencies will provide financial and technical support, as available, to facilitate such progress.

Regulatory Language. Implementation of an Urban MOU Certification Program will require the adoption of regulatory language consistent with this framework. As noted above, CALFED recommends that regulatory language be drafted with the input of stakeholders familiar with this framework.

Resolution of Incentives/Disincentives. Implementation of an Urban MOU Certification program will require agreement on the mix of incentives and disincentives as discussed earlier.

California Public Utilities Commission (CPUC) Linkages. Implementation of an Urban MOU Certification process will incorporate any action(s) that result from CPUC/CALFED efforts to initiate an “Order Instituting Investigation” (OII) intended to identify possible needs and strategies (for example, rate of return incentives/disincentives, expedited rate case processing) for integrating the proposed Urban MOU Certification Framework with existing CPUC processes.

Additionally, the CUWCC and DWR will make available relevant information (e.g., BMP Implementation Reports, Urban Water Management Planning Act conservation plan reviews) to the CPUC.

⁵ Implementation begins when regulations take effect.

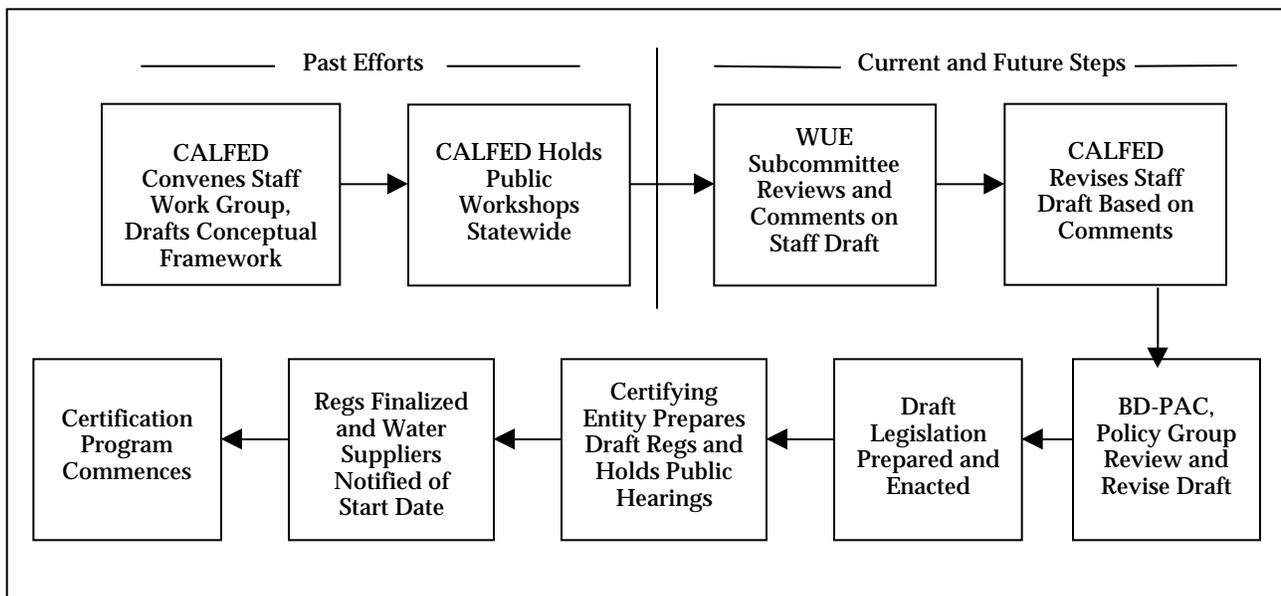
CALFED Post Year-Four Balancing Discussions

CALFED staff further recommends that the Bay-Delta Public Advisory Committee (BD-PAC) and the CALFED Policy Group consider the following issues as part of its planned balancing discussions after the fourth year of CALFED implementation:⁶

- **Performance of Urban Certification.** CALFED acknowledges that water conservation is part of its overall water management strategy. Accordingly, CALFED should take into consideration the performance of conservation activities (including urban certification) and conservation potential when discussing other water management options such as storage and conveyance.⁷
- **Effectiveness of Urban MOU certification incentives/disincentives package.** As noted earlier, a final urban certification program will include a range of incentives/disincentives for compliance with urban certification. In assessing the program’s implementation to date, policymakers are expected to review the effectiveness of these incentives/disincentives and consider appropriate modifications.

Figure 1 below shows the expected steps in the development of an Urban MOU certification program.

Figure 1: Expected Process to Develop an Urban MOU Certification Program



⁶ Although CALFED will continuously evaluate program balance, a more in-depth balancing discussion is expected after Year 4 when a comprehensive 4-year evaluation of Water Use Efficiency is available (ROD Action #174) and planned storage projects are scheduled for authorization.

⁷ An assessment of performance and conservation potential will require advances in measurement, monitoring and verification.

SECTION 3: FRAMEWORK RATIONALE

The elements included in the draft certification framework described below are grounded in the following driving rationales:

- Build upon CUWCC experience and expertise, while preserving the impartiality and collegiality of the CUWCC MOU process.
- Rely on an independent entity with enforcement capabilities – not the CUWCC – to take on the formal certification and appeals responsibilities.
- Identify, refine and resolve critical technical and analytic issues prior to formally implementing an urban MOU certification program.
- Develop a certification framework in a balanced manner that furthers urban water conservation efforts, supports CALFED objectives and preserves the flexibility embodied in the MOU.
- Build capacity and awareness, via technical assistance and financial incentives, among smaller and disadvantaged water suppliers, thereby recognizing and accounting for the resource and technical expertise limits constraining their participation. This includes water suppliers that currently are small enough to be exempted from the proposed urban MOU certification requirements, but may meet the participation criteria in the near future.⁸
- Focus certification, at least initially, on a limited number of water suppliers in a balanced manner that takes into consideration, among other things: percentage of population served; mix of CUWCC MOU signatory and non-signatory water suppliers; workload/resource constraints of the certifying entity; and potential water savings.
- Structure an urban certification framework in a manner that minimizes redundancies and inconsistencies with existing regulatory and planning processes, such as the CPUC, CVPIA, and Urban Water Management Plans.
- Recognize the value of and need for (1) a rigorous scientific evaluation of WUE potential and past performance; and, (2) an adaptive management approach that ensures ongoing assessments and appropriate revisions to an urban MOU certification process.

⁸ CALFED agencies will consider other options to facilitate the participation of smaller and disadvantaged water suppliers, including possible funding set-asides.

SECTION 4: PROPOSED FRAMEWORK

Certification Participation and Schedule⁹

The proposed water supplier program participation criteria are as follows below and in Table 1:

- (1) Urban retail water suppliers with 3,000 or more connections that are directly or indirectly hydrologically connected to the Bay-Delta shall report on BMP implementation and BMP exemptions or variances to the State Water Resources Control Board (State Board) via the CUWCC's BMP reporting system every two years.¹⁰
- (2) Urban wholesale water suppliers with average annual deliveries of 3,000 or more acre-feet that are directly or indirectly hydrologically connected to the Bay-Delta shall report on BMP implementation and BMP exemptions or variances to the State Board via the CUWCC's BMP reporting system every two years.¹¹
- (3) Urban retail water suppliers with 20,000 or more connections and urban wholesale water suppliers with average annual deliveries of 10,000 or more acre-feet that are directly or indirectly hydrologically connected to the Bay-Delta are subject to review of BMP exemptions by the State Board every two years.¹²
- (4) Urban retail water suppliers with 20,000 or more connections and urban wholesale water suppliers with average annual deliveries of 10,000 or more acre-feet that are directly or indirectly connected to the Bay-Delta are subject to review of MOU compliance by the State Board every four years.
- (5) Within one year following the completion of the second MOU compliance review cycle, it is proposed that the State Board review program performance and consider expansions to participation criteria as warranted.

⁹ CALFED assumes the certifying entity will put forward, through regulation, a schedule that staggers certification to avoid workload peaking.

¹⁰ The appropriate CALFED agency or agencies will define criteria for determining if a water supplier is directly or indirectly hydrologically connected to the Bay-Delta and develop the starting list of retail and wholesale water suppliers meeting these criteria. Based on preliminary data it is estimated that there are approximately 300 retail water suppliers meeting this criterion.

¹¹ Based on preliminary data it is estimated that there are approximately 30 wholesale water suppliers meeting this criterion.

¹² Based on preliminary data it is estimated that there are approximately 100 retail and 28 wholesale water suppliers meeting this criterion.

Table 1: Water Supplier Participation, Schedule And Compliance Requirements

Water Supplier Category	MOU Compliance Requirements		MOU Compliance Audits
	BMP Reporting	BMP Implementation and Exemptions	
Retail Water Supplier			
Less than 3,000 connections	None	None	None
3,000 to 20,000 connections	Submit report on BMP implementation every 2 years	State Board verification that report filed every 2 years	None
More than 20,000 connections	Submit report on BMP implementation every 2 years	<ol style="list-style-type: none"> 1. State Board verification that report filed every 2 years 2. State Board review every 2 years of water supplier exemptions, if any 3. State Board review every 4 years that water supplier is complying with MOU 	Subject to random audit by State Board to verify BMP report data
Wholesale Water Supplier			
Less than 3,000 AF annual delivery	None	None	None
3,000 to 10,000 AF annual delivery	Submit report on BMP implementation every 2 years	State Board verification that report filed every 2 years	None
More than 10,000 AF annual delivery	Submit report on BMP implementation every 2 years	<ol style="list-style-type: none"> 1. State Board verification that report filed every 2 years 2. State Board review every 2 years of water supplier exemptions, if any 3. State Board review every 4 years that water supplier is complying with MOU 	Subject to random audit by State Board to verify BMP report data

MOU Compliance Criteria

The basis for urban certification criteria is the urban MOU.¹³ The proposed criteria for determining water supplier compliance with the MOU are as follows (see also Table 1 above):¹⁴

Retail Water Suppliers with Between 3,000 and 20,000 Connections and Wholesale Water Suppliers with Average Annual Deliveries Between 3,000 and 10,000 Acre-Feet

Every two years, the State Board confirms that:

- (1) the water supplier has submitted to the CUWCC complete reports on BMP implementation, variances and exemptions, if any, in accordance with the reporting schedule adopted for this program.¹⁵

¹³ It is recognized that the Urban MOU is not static and may change over time (i.e., BMPs and key analytic methods may be revised). Consequently, compliance criteria may evolve over time as well.

¹⁴ These criteria relate directly to the terms and conditions of the MOU. Specifically, they reference Exhibit 1, Exhibit 3, and Sections 4.4, 4.5, 4.6, and 6.2 of the MOU.

¹⁵ As outlined elsewhere in this document, the CUWCC will forward findings from its database to facilitate State Board staff action on this item. These reports will be checked for compliance with CUWCC filing requirements only. Information in the reports will not be independently verified by the CUWCC.

Retail Water Suppliers with 20,000 or More Connections and Wholesale Water Suppliers with Average Annual Deliveries of 10,000 or More Acre-Feet¹⁶

Every two years, the State Board confirms that:

- (1) the water supplier has submitted to the CUWCC complete reports on applicable BMP implementation and exemptions in accordance with the reporting schedule adopted for this program;¹⁷

AND

- (2) For each applicable BMP the water supplier has elected not to implement, the water supplier has substantiated to the State Board at least one of the following:
 - (i) A full cost-benefit analysis, performed in accordance with the principles set forth in Exhibit 3 (and associated MOU guidelines and criteria), demonstrating that either the BMP (i) would not be cost-effective overall when total program benefits and costs are considered; OR (ii) would not be cost-effective to the individual water supplier even after the water supplier has made a good faith effort, as defined in MOU Section 4.4., to share costs with other program beneficiaries; or
 - (ii) Adequate funds are not and cannot reasonably be made available from sources accessible to the water supplier including funds from other entities. However, this exemption cannot be used if a new, less cost-effective water management option would be implemented instead of the BMP for which the water supplier is seeking this exemption; or
 - (iii) Implementation of the BMP is (i) not within the legal authority of the water supplier; and (ii) the water supplier has made a good faith effort, per MOU section 4.4., to work with other entities that have the legal authority to carry out the BMP; and (iii) the water supplier has made a good faith effort, per MOU section 4.4, to work with other relevant entities to encourage the removal of institutional barriers to the implementation of BMPs within its service area.

Every four years, the State Board confirms that:

These submittals would also satisfy California Water Code section 10631 (f) and (g) demand management filing requirements as called for in the Urban Water Management Planning Act (UWMPA).

¹⁶ State Board MOU compliance reviews would be used to verify and assure that BMP implementation is occurring per the terms of the MOU. Initially it is proposed to limit reviews to retail water suppliers with 20,000 or more connections and wholesale water suppliers with annual deliveries of 10,000 or more acre-feet to balance resource requirements of the State Board and water suppliers undergoing review with the ROD requirement to verify and assure that BMP implementation is occurring on a broad scale.

¹⁷ While reporting for water retailers with greater than 3,000 connections and wholesalers with average annual deliveries of 3,000 or more acre-feet would be required every two years, data would still be provided to the CUWCC in annual increments.

- (1) the water supplier is implementing all applicable BMPs (for which it has not received an exemption).^{18, 19}
 - (i) In accordance with the definitions, schedule, implementation criteria, and coverage requirements set forth in MOU Exhibit 1; or
 - (ii) In a manner deemed by the State Board to satisfy the CUWCC’s criteria for “at least as effective as” implementation;

OR

- (2) the water supplier is not implementing all applicable BMPs in accordance with (1) above, but the water supplier has substantiated²⁰ at least one of the following:
 - (i) That after a good faith effort, as defined by MOU section 4.4., to implement the BMP(s) within the time prescribed, implementation is not feasible pursuant to the schedule in Exhibit 1; or
 - (ii) That implementation of one or more BMPs prior to other BMPs would have a more positive effect on conservation or water supplies than would adherence to the schedule in Exhibit 1; or
 - (iii) That implementation of one or more CUWCC-designated Potential BMPs (PBMPs) or other conservation measures prior to one or more BMPs would have a more positive effect on conservation or water supplies than would adherence to the schedule in Exhibit 1.

Roles—Certification Entity and Partners

The following delineation of responsibilities between the State Board, the CUWCC, and other partners for the implementation and administration of the certification program is proposed.

¹⁸ BMPs that apply to retail water suppliers are: 1-9, and 11-14. BMPs that apply to wholesale water suppliers are: 3, 4, 7, 8, 10, 11, and 12.

¹⁹ It is recognized that revisions by the CUWCC to the financial support, technical support, and program management provisions of BMP 10 may be required to implement the certification program. These performance standards would adhere to the spirit and intent of the existing wholesaler BMP. Development of any set of measurable performance standards would be informed by a review of wholesale water supplier programs and policies that have successfully supported BMP implementation programs in the past.

²⁰ The documentation water suppliers will be expected to provide remains to be defined by the CUWCC.

State Water Resources Control Board

- (1) Based on CUWCC-determined standards, evaluative criteria, and methodologies for assessing MOU compliance, make and enforce decisions related to water supplier compliance with:²¹
 - (i) MOU reporting requirements²²;
 - (ii) BMP exemption requirements;
 - (iii) “At least as effective as” BMP variances;
 - (iv) Overall MOU compliance.

It is anticipated that these decisions would be made at the staff level.²³

- (2) Develop and administer an appeals process for BMP exemption and MOU compliance determinations that is consistent with existing State Board appeals structures and processes. It is anticipated that appeals decisions would be made at the Board level.
- (3) Develop and implement a process to periodically audit water supplier BMP data submittals to verify the validity and accuracy of their reporting on BMP implementation. Audits would apply only to retail water suppliers with 20,000 or more connections and wholesale water suppliers with average annual deliveries of 10,000 or more acre-feet. Audits would be conducted by an independent (non-CALFED agency) auditor reporting directly to the Board. Random audits would be conducted for approximately three to five water supplier BMP filing submissions each year.²⁴
- (4) Convene a public advisory group to advise the State Board on matters relating to certification of compliance with the urban MOU. The advisory group would not provide recommendations on decisions pertaining to certification of individual water suppliers; nor would it have an enforcement function.
- (5) Work with the CPUC to integrate implementation of urban MOU certification with existing CPUC processes, including providing the CPUC with regular updates on certification findings and status for applicable IOUs.

²¹ The basis for urban certification is the urban MOU. As the MOU evolves over time, it is recognized that the State Board will rely on a legislatively appropriate mechanism to incorporate MOU revisions into its certification process.

²² As will be subsequently discussed, the CUWCC would be responsible for reviewing the completeness of water supplier BMP implementation-related data prior to compiling reports to the State Board on water supplier reporting.

²³ Routine staff decisions might need to be forwarded to the board as part of a consent calendar. This idea is still under discussion.

²⁴ The documentation that will be required to support an auditing process remains to be defined by the State Board.

CUWCC

The CUWCC's involvement with the certification program is focused on providing objective support to water suppliers and the State Board. It will not be involved in evaluating an individual water supplier's compliance status. Specifically, the CUWCC's role is as follows:

- (1) Oversee the MOU process, including
 - (i) Definition and revision of MOU terms and conditions including, but not limited to, coverage requirements and implementation schedules;
 - (ii) Definition and revision of BMPs and PBMPs;
 - (iii) Establishment of criteria for determining “at least as effective as” BMP variances;
 - (iv) Establishment of criteria and guidelines for conducting benefit-cost analyses of BMPs and PBMPs;²⁵
 - (v) Creation of methodology and guidelines for estimating water savings for BMP implementation per Exhibit 1 requirements.
- (2) Provide technical assistance to water suppliers implementing BMPs,²⁶ including
 - (i) Assistance with BMP program design, implementation and evaluation;
 - (ii) Assistance with BMP benefit-cost analysis and exemption applications;
 - (iii) Assistance with “at least as effective as” analysis and program design.
- (3) Conduct research and evaluation of BMP and other conservation programs, including
 - (i) analysis of program water savings;
 - (ii) compilation of program cost information;
 - (iii) review and evaluation of PBMPs.
- (4) Maintain the BMP reporting system and collect BMP reports from water suppliers.

²⁵ This will require the development of an appropriate framework for estimating avoided costs attributable to conservation.

²⁶ This technical assistance will be provided to CUWCC members and non-members. The CUWCC will set up an appropriate fee-for-service system to cover costs associated with technical assistance provided to non-members.

- (5) Compile and review for completeness BMP implementation data submitted by water suppliers and forward summary information to State Board for use in MOU compliance decision-making, including
 - (i) Water supplier reporting history;
 - (ii) Water supplier BMP implementation history;
 - (iii) Water supplier BMP coverage status.
- (6) Upon request of State Board, provide data on water supplier programs, service area characteristics, or other data required by State Board during compliance reviews and decisions.
- (7) Make available to the CPUC MOU reporting data for IOUs as well as other technical information on BMP/MOU requirements.

Department of Water Resources (DWR)

- (1) Provide technical and financial assistance to water suppliers implementing BMPs.
- (2) Assist in providing appropriate linkages to UWMPA review process, while eliminating inconsistencies and minimizing redundancies.
- (3) Make available to the CPUC UWMPA conservation plan reviews (receipt status and completeness) for applicable IOUs.

U.S. Bureau of Reclamation (USBR)

- (1) Provide technical and financial assistance to water suppliers implementing BMPs.
- (2) Assist in providing appropriate linkages to CVPIA and Colorado River 4.4 Plan review processes, while eliminating inconsistencies and minimizing redundancies.

CALFED Bay-Delta Program²⁷

- (1) CALFED will work with the CPUC to identify needs and strategies for integrating the proposed urban certification program with existing CPUC processes.

²⁷ Though not part of this framework, CALFED will work with stakeholders to develop a programmatic Milestones analysis that quantifies the expected benefits of urban conservation and then lays out the possible barriers to successful implementation and potential responses.

Incentives/Disincentives

The proposed framework embodies the following general conditions for applying program incentives and disincentives associated with MOU compliance status:

- (1) To facilitate certification start-up efforts, all water suppliers meeting reporting requirements but not yet reviewed for compliance are to be considered eligible to apply for program incentives and technical assistance.
- (2) Within the compliance element of the certification process, incentives are to be emphasized over disincentives.
- (3) Disincentives are to be graduated over time in terms of type and severity and may be reserved for cases of persistent non-compliance.
- (4) Water suppliers found by the State Board to be out of compliance with the MOU are to be subject to program disincentives (see below) until the State Board finds them to be back in compliance.²⁸
- (5) CALFED agencies will work to enable IOUs to participate on an equal footing with public water agencies in access to all grant funding and low interest loans where all such incentives are only for the benefit of the ratepayer.

Program Reporting Requirements: Incentives/Disincentives²⁹

Incentives to promote timely reporting and disincentives to discourage avoidance of reporting by participating water suppliers include the following:

- (1) Reminder notices will be sent by the CUWCC to each participating water supplier twelve months, six months, and three months prior to the prescribed report due date. These notices will direct water suppliers to available technical resources and assistance for reporting.
- (2) The State Board will maintain a publicly available list of water suppliers that have submitted reports within the prescribed schedule. Conversely, the State Board will also keep current a publicly available list of participating water suppliers that have failed to submit complete program reports within the prescribed schedule.
- (3) Failure to submit a program report by the prescribed report due date will trigger a letter from the State Board to the water supplier's general manager notifying the general manager of this fact and possible consequences and remedies.

²⁸ The State Board will develop a process to enable water suppliers deemed to be out of compliance to be re-reviewed on an accelerated basis.

²⁹ These incentives/disincentives apply to all retail water suppliers with 3,000 or more connections and wholesale water suppliers with average annual deliveries of 3,000 or more acre-feet.

- (4) Eligibility to apply for WUE implementation grants – including WUE grant programs operated by DWR, USBR, and the State Board – will be conditional on meeting State Board certification program reporting requirements. Conversely, water suppliers failing to meet program reporting requirements within the prescribed schedule will be ineligible to apply for WUE implementation grants until reporting requirements are met.
- (5) Reporting status will not affect a water supplier’s eligibility to receive technical assistance (in the form of information and consultation from CUWCC or CALFED agencies), loans and/or technical assistance funding (i.e., feasibility study grants), as these tools can help water suppliers return to compliance.

BMP Implementation and Exemptions: Incentives/Disincentives³⁰

Incentives and disincentives to promote compliance with the MOU include the following:³¹

- (1) The State Board will maintain a publicly available list of the compliance status for each participating water supplier. Water suppliers failing to meet the MOU compliance criteria discussed previously will be listed as not in compliance with the MOU.
- (2) Water suppliers listed as not in compliance with the MOU will be directed towards CUWCC and CALFED agency technical assistance and will receive specific information on what actions are needed to restore compliance.
- (3) Water suppliers found to be in compliance with the MOU will be eligible to apply for WUE financial assistance, including WUE grant and loan programs operated by DWR, USBR, and the State Board. Conversely, water suppliers listed as not in compliance with the MOU will not be eligible to apply for WUE grants until the State Board finds them to be back in compliance.
- (4) MOU compliance status will not affect a water supplier’s eligibility to receive technical assistance (in the form of information and consultation from CUWCC or CALFED agencies), loans and/or technical assistance funding (i.e., feasibility study grants), as these tools can help water suppliers return to compliance.
- (5) The State Board will develop an extended review cycle and other appropriate mechanisms to recognize and reward water suppliers’ long-term compliance (i.e., two consecutive review periods) with the Urban MOU.
- (6) Discussion of other incentives/disincentives are to be considered by the BD-PAC, the Policy Group and other appropriate CALFED decision-making bodies.

³⁰ These incentives/disincentives apply to all retail water suppliers with 20,000 or more connections and wholesale water suppliers with average annual deliveries of 10,000 or more acre-feet.

³¹ These incentives/disincentives would apply only to retail water and wholesale water suppliers subject to exemption and MOU compliance reviews by the State Board.

Appeals

The State Board will develop and administer an appeals process for BMP exemptions, variances and MOU compliance determinations that is consistent with existing State Board appeals structures and processes. It is anticipated that appeal decisions would be made at the Board level.

Relationships Between Wholesale and Retail Urban Water Suppliers

There have been ongoing discussions between stakeholders to address appropriate implementation program requirements between wholesalers and retailers. (These issues were reiterated during the CALFED-sponsored public workshops in July 2002.) Based on these discussions and public comments, and consistent with the ROD's reliance on the MOU, CALFED staff proposes the following:

- (1) Refinements to the current wholesale water supplier BMP 10 that set measurable performance standards are appropriate. These performance standards should adhere to the spirit and intent of the existing wholesaler BMP and avoid burdensome overlap and redundancies between and among water suppliers. It is recognized that revisions to the financial support, technical support, and program management provisions of the BMP are required to achieve this objective. Development of any set of measurable performance standards should be informed by a review of wholesale supplier programs and policies that have successfully supported BMP implementation programs in the past.
- (2) Wholesalers' obligations and performance criteria will be formulated within the existing urban MOU framework. Revisions to BMP 10 will be addressed through the CUWCC in accordance with MOU sections 4.2 and 4.3. Wholesalers have requested the CUWCC give priority to this issue so that it may be resolved expeditiously prior to implementation of a certification process. Wholesale water suppliers are committed to working cooperatively with the CUWCC on this issue.
- (3) Wholesale suppliers and retail suppliers (regardless of signatory status) who report conservation activities through the CUWCC reporting mechanisms will receive full credit (consistent with the MOU) within the MOU and acknowledgement for previous BMP implementation.
- (4) As provided for in the MOU, wholesale and retail suppliers will retain local flexibility in designing and implementing locally cost-effective BMP conservation programs, including regional programs designed and/or implemented cooperatively by wholesale and retail suppliers.
- (5) In accordance with MOU section 3.1, it must be recognized that wholesale suppliers have limited control over implementation of BMPs by retail suppliers that they serve and must act in cooperation with those retail suppliers. While wholesale suppliers can and do play a significant supportive role, they cannot be held responsible for levels of implementation by individual retailers in their

wholesale service area.³² This recognition, however, does not discharge either wholesalers or retailers of their good faith effort responsibilities enumerated in section 4.4. of the MOU.

- (6) Certification program requirements and associated elements (obligations, incentives and disincentives) apply equally to all urban water retailers, whether independent or served by wholesalers.
- (7) Wholesaler and retailer compliance status should not be linked.³³ For example, a wholesaler that is in compliance would not lose its eligibility to apply for financial assistance due to the non-compliance status of its retailer or vice versa. Likewise, CALFED agencies shall stipulate that financial assistance and other incentives granted to wholesalers may not be passed on to retailers who are out of compliance.³⁴

Monitoring/Adaptive Management

- (1) CALFED recognizes the importance of ongoing review and feedback to program management, funding agencies and CALFED regarding implementation and performance.
- (2) Accordingly, implementation of an urban certification framework is to include a strategy for monitoring and evaluating the effectiveness of both MOU implementation and the certification process. As well, CALFED will work to identify and resolve critical data uncertainties underpinning this program. CALFED will work with the State Board, the WUE Subcommittee and other appropriate entities to track program implementation and propose appropriate revisions.
- (3) This process will require close coordination with the CUWCC, as its evolving Memorandum of Understanding (MOU) serves as the foundation for certification.

Regulatory Linkage Considerations

The proposed MOU certification program intersects three existing regulatory processes affecting water supplier water use efficiency planning and program implementation. These are the Urban Water Management Planning Act (UWMPA), the Central Valley Project Improvement Act (CVPIA), and regulatory oversight of investor-owned water suppliers by the California Public Utilities Commission (CPUC). CALFED staff will

³² This provision would not affect wholesaler reporting requirements under the CVPIA. Wholesalers contracting for water with USBR are responsible for their subcontractors' water conservation compliance.

³³ See footnote 33.

³⁴ This provision would not affect other eligibility criteria related to the UWMPA.

work with its counterparts to these processes – and other related efforts³⁵ -- to ensure program consistency, equity assurances,³⁶ and a minimum of program overlap.

Urban Water Management Planning Act

The UWMPA currently allows Urban MOU signatories to submit CUWCC BMP reports to satisfy California Water Code 10631 (f) and (g). CALFED staff will work with DWR and the state legislature to extend this provision to all water supplier program participants. Certification program participants will be filing CUWCC BMP reports as part of their obligations to the certification program. Therefore, demand management measures for sections 10631 (f) and (g) will be filed less frequently by water suppliers. Eventually CUWCC BMP reports will become the standard for meeting the terms of these sections of the Act.

Central Valley Project Improvement Act

The CVPIA standard criteria for evaluating water management plans requires urban CVP contractors to implement all applicable BMPs per the MOU. Moreover, these water suppliers are required to submit reports on BMP implementation to the USBR every year and update water management plans for their service areas every five years. Currently, the USBR is shifting reporting of BMP implementation to the CUWCC's BMP reporting system. The proposed MOU certification program would not impose any additional reporting requirements for these water suppliers. Reporting required under CVPIA criteria would also satisfy the reporting requirement proposed for the MOU certification program.

Proposed MOU compliance review requirements are to be integrated with existing CVPIA criteria review processes.

California Public Utilities Commission

The CPUC has regulatory authority over rate setting and capital recovery by investor-owned utilities (IOUs). As such, the CPUC has a role in approving IOU actions related to water use efficiency projects. CALFED staff will work with the CPUC to explore, as soon as possible, the efficacy of initiating an "Order Instituting Investigation" (OII) to identify possible needs and strategies for integrating the proposed Urban MOU Certification Framework with existing CPUC processes.

Additionally, the State Board and the Department of Water Resources will: 1) work to integrate MOU compliance review requirements with existing CPUC processes, and 2) provide the CPUC with regular updates regarding urban MOU certification status and UWMPA conservation plan review status for applicable IOUs.

³⁵ For example, working to improve consistency and/or coordination between CUWCC and Sacramento Water Forum BMPs.

³⁶ Equity assurances would require a common set of evaluative criteria and compliance decisions being made by a common entity.

Funding Considerations

CALFED estimates the State Board will need between \$1.9 million and \$2.6 million per year to administer an urban certification program: \$1.3 to \$1.8 million for the State Board activities and \$600,000 to \$800,000 for the CUWCC activities. These funds would cover both staff and administrative costs associated with implementing their respective certification roles (outlined earlier in this document). These costs are equivalent to an average of \$0.25 to \$0.40 per water user connection per year.

Allocation of costs among wholesalers, retailers, ratepayers, and CALFED agencies is not yet determined. There are a variety of possible fee-based strategies that could be pursued. For example, one strategy might consist of a base component that would cover nominal CUWCC and State Board staffing costs, with an additional increment intended to cover more complicated reviews (such as those involving complex exemptions or “at least as effective as” proposals).

CALFED will work with appropriate stakeholder and CALFED decision-making bodies to develop refined cost estimates and examples of alternative fee-based strategies for further discussion.

ATTACHMENT 1
Summary of Best Management Practices

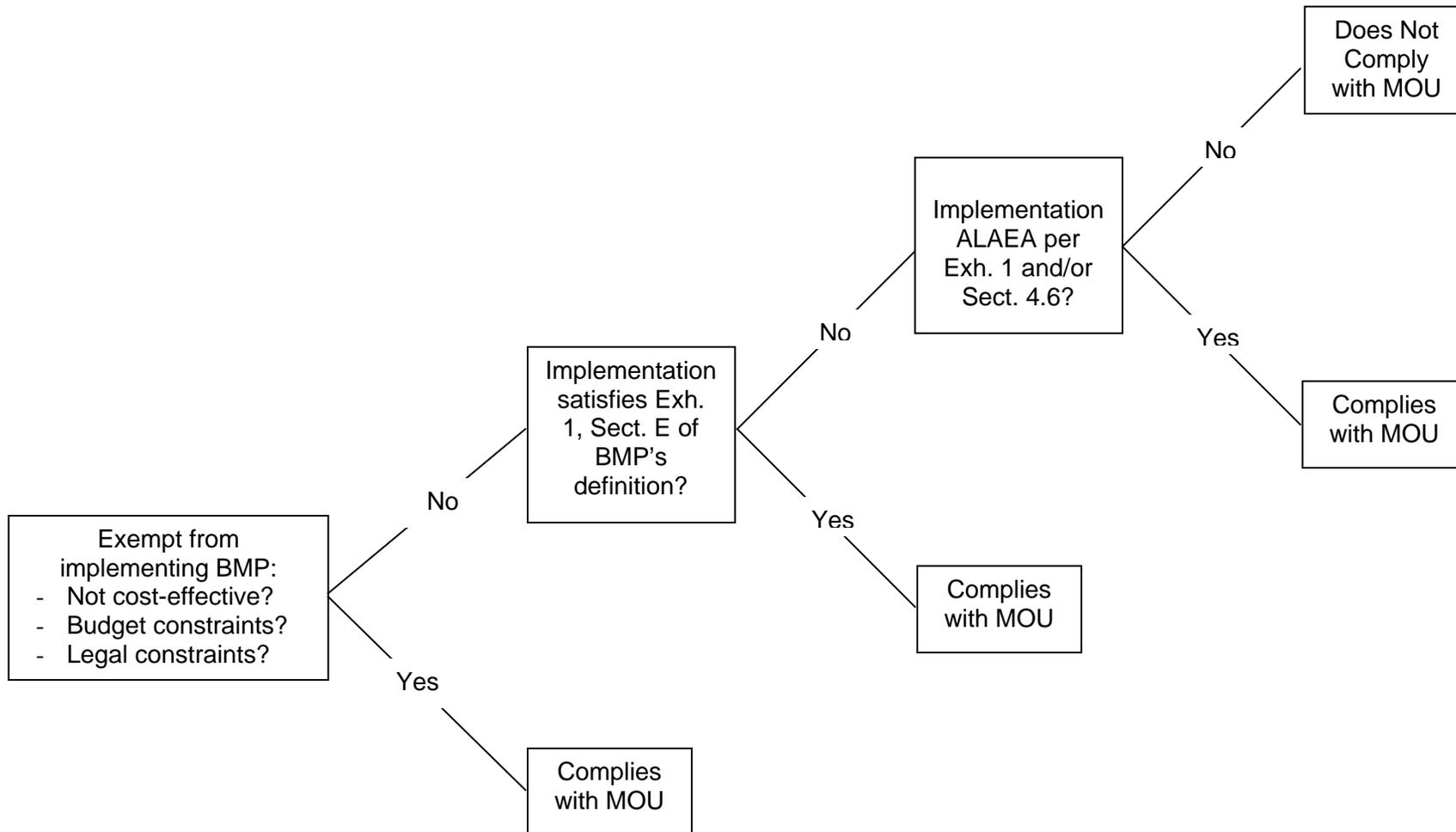
Approved 9-30-97 / Effective 7-1-98

1. **Water Survey Programs for Single-Family Residential and Multi-Family Residential Customers.** Develop and implement a strategy targeting and marketing water use surveys to single-family and multi-family residential customers.
2. **Residential Plumbing Retrofit.** Identify single-family and multi-family residences constructed prior to 1992. Develop a targeting and marketing strategy to distribute or directly install high-quality, low-flow showerheads, toilet displacement devices, toilet flappers and faucet aerators as practical to residences requiring them.
3. **System Water Audits, Leak Detection and Repair.** Annually complete a prescreening system audit to determine the need for a full-scale system audit.
4. **Metering with Commodity Rates for all New Connections and Retrofit of Existing Connections.** Require meters for all new connections and billing by volume of use. Establish a program for retrofitting existing un-metered connections and billing by volume of use. Identify intra-and inter-agency disincentives or barriers to retrofitting mixed use commercial accounts with dedicated landscape meters, and conduct a feasibility study to assess the merits of a program to provide incentives to switch mixed use accounts to dedicated landscape meters.
5. **Large Landscape Conservation Programs and Incentives.** Provide non-residential customers with support, education and assistance. Identify accounts with dedicated irrigation meters and assign Eto-based water use budgets. Develop and implement a strategy targeting and marketing large landscape water use surveys to CII accounts with mixed-use meters. Provide information on climate-appropriate landscape design, etc.
6. **High-Efficiency Washing Machine Rebate Programs.** Set goals, objectives and timetables for implementation of this program.
7. **Public Information Programs.** Implement a public information program to promote water conservation and water conservation related benefits.
8. **School Education Programs.** Implement a school education program to promote water conservation and water conservation related benefits.
9. **Conservation Programs for Commercial, Industrial and Institutional Accounts.** Identify and rank commercial industrial and institutional customers according to use and establish long-term implementation targets for the replacement of high-water-using toilets with ULFTs in the CII sector.
10. **Wholesale Agency Assistance Programs.** Wholesale water suppliers to provide financial incentives or equivalent resources, and conservation-related technical support and information to their retail water agency customers to advance conservation efforts and effectiveness.
11. **Conservation Pricing.** Eliminate non-conserving pricing and adopt conserving pricing structures.
12. **Conservation Coordinator.** Designation of water conservation Coordinator.
13. **Waste Water Prohibition.** Enact and enforce measures prohibiting gutter flooding, single pass cooling systems in new connections, non-re-circulating systems in all new conveyer car wash and commercial laundry systems, and non-recycling decorative water fountains.
14. **Residential ULFT Replacement Programs.** Implement programs for replacing existing high-water using toilets with ultra-low-flush (ULFT) in single-family and multi-family residences.

Latest revision March 2000 – Current to July 31, 2001

ATTACHMENT 2
Example of BMP Implementation Compliance Tree Per MOU Sect. 4.6 and Exhibit 1

Below is a conceptual diagram of MOU compliance for BMP implementation. “ALAEA” stands for “At Least As Effective As.”



ATTACHMENT 3
Roster – CALFED Urban Certification Staff Work Group

Below is a listing of primary participants in the Urban Certification Staff Work Group.

	NAME	ORGANIZATION
Stakeholder Representatives	Mary Lou Cotton	Castaic Lake Water Agency
	Rich Plecker	Fair Oaks Water District
	Chris Dundon	Contra Costa Water District
	Doug Wallace <i>(Richard Harris, alternate)</i>	East Bay Municipal Utility District
	Ed Thornhill <i>(Mike Hollis, alternate)</i>	Metropolitan Water District of So. CA
	Bill Jacoby	San Diego County Water Authority
	Joe Berg	Municipal Water District of Orange County
	Hossein Ashktorab	Santa Clara Valley Water District
	Cheryl Munoz	San Francisco Public Utilities Commission
	Kirk Brewer <i>(Joe Young, alternate)</i>	Southern California Water Company
	Roberta Borgonovo	League of Women Voters—CA
	Fran Spivy-Weber	Mono Lake Committee
	Ed Osann	Natural Resources Defense Council
	Lynn Barris	Butte Environmental Council
	Dana Haasz	Pacific Institute
Conner Everts	Public Officials for Water & Environmental Reform	
CALFED Agency/Partner Representatives	Mary Ann Dickinson	CA Urban Water Conservation Council
	Luana Kiger	CA Department of Water Resources
	Lucille Billingsley Meena Westford	U.S. Bureau of Reclamation
	Jim Bennett	State Water Resources Control Board
Facilitation Team	Tom Gohring	CALFED Bay-Delta Program
	David Mitchell	M.Cubed
	Bennett Brooks Eric Poncelet	CONCUR

Other individuals are also involved, either through more limited participation in meetings or through informal document review. These participants include: Jonas Minton, DWR; Fred Curry, CPUC; Vana Phibbs, Alameda County Water District; Lynne Hulme, Sonoma County Water Agency; and Greg Smith, DWR. Finally, all Work Group meetings are open to interested members of the public.

CALFED Bay-Delta Program

Staff Proposal for Urban Water Conservation Certification

Summary of Stakeholder Comments

The concepts incorporated into the attached Staff Proposal build on past urban Memorandum of Understanding (MOU) certification deliberations and have been informed by extensive discussions this spring with representatives of affected stakeholder communities (urban water suppliers, environmental organizations and CALFED agencies and partners). Additionally, this document has been revised to incorporate comments generated during the June 24 and August 8, 2002, WUE Subcommittee meetings and in public workshops held in late July in Oakland, Visalia, Los Angeles and Roseville. Finally, stakeholders were invited to submit comments in writing to CALFED. (See attached letters.)

Stakeholders generally offered strong support for the proposed approach. They did, however, suggest several specific revisions. Below is a summary of the primary changes incorporated into the attached Staff Proposal based on these most recent discussions:

- **Incentives/disincentives.** Several commentors stressed the importance of ensuring that adequate financial assistance is available to those water suppliers attempting to return to compliance. The revised proposal has been updated to clarify CALFED's intent to provide continued access to loans, technical assistance and feasibility study grants to all water suppliers, regardless of compliance status.
- **Wholesaler participation requirements.** Several commentors recommended revising the structure of wholesaler participation requirements to make it similar to the retailer requirements (i.e., a reporting requirement for the smaller entities and a reporting and certification requirement for the larger entities). The attached Staff Proposal was updated to incorporate this revision.
- **BMP 10 revisions.** A number of commentors raised concerns regarding wholesaler BMP-specific requirements. CALFED staff has added new language emphasizing the need to avoid burdensome overlap and redundancies between and among water suppliers. These issues are expected to be addressed as part of the CUWCC's ongoing BMP 10 revisions.
- **Agency coordination.** Several commentors recommended that CALFED coordinate efforts among the appropriate agencies and initiatives to improve consistency and develop materials that explain the overlaps and relationships between the various conservation programs. This recommendation is reflected in expanded language in the section on regulatory linkages.

- **Adaptive management/sound science.** Several commentors emphasized the importance of articulating a process for acknowledging and refining critical data uncertainties. This recommendation is reflected in new language incorporated into, among other places, the existing adaptive management component of the framework.

Workshop participants offered other comments and suggestions during the outreach meetings. CALFED staff has considered these recommendations, but opted not to revise the document at this time. Below is a brief summary of these additional comments and CALFED's accompanying rationale for not incorporating these recommendations into the attached proposal.

- **Participation thresholds.** Several meeting and workshop participants sought to better understand the participation thresholds outlined in the document. In a few cases, workshop participants called on the program to phase in participation of all water suppliers over time, starting with larger suppliers first. CALFED recognizes the value in a program that embeds across-the-board participation requirements, yet believes its original proposal offers the most viable and balanced approach. Moreover, the proposal's existing requirement to re-evaluate all participation thresholds after eight years offers an opportunity to revise cutoff levels at that time.
- **Incentive/disincentives.** A number of stakeholders commented on the mix of incentives and disincentives included in the framework. California Urban Water Agencies (CUWA) has proposed adding, as an incentive, a linkage to conservation elements of permitting processes. (See attached letter.) Other commentors have recommended more generally that the package of incentives/disincentives be bolstered to make the mix more compelling; some, for example, have suggested that water suppliers out of compliance be denied access to the state drought bank. As noted in the framework, CALFED believes that consideration of additional incentives/disincentives is best focused within the policy-level BD-PAC body.
- **Program scope.** Several commentors suggested that the certification program should be statewide in scope and not just limited to those areas connected, directly or indirectly, to the Bay-Delta. CALFED believes it is the purview of the state legislature – and not CALFED – to expand the scope to a statewide program.
- **Program approach.** One workshop participant strongly recommended that CALFED replace the proposed approach – certifying compliance with BMP implementation – with a water-budget-based approach. In such a scenario, the proponent said, appropriate water budgets would be calculated for each retailer and access to water in drought years would be pro-rated based on retailers' past ability to meet their water budget allocations. CALFED believes that such an approach, while attractive to some stakeholders, is not currently capable of being broadly supported and may not fully account for technical and institutional barriers.
- **Funding split.** Commentors raised several equity issues regarding funding, including concerns that: (1) customers served by retailers and wholesalers might have to shoulder a greater financial burden than those served just by retailers; and (2) wholesalers serving small retailers (under 3,000 connections) would have to pass

along costs to customers in service areas below the participation thresholds. Other commentors suggested that, given the benefits to the state, funding should be borne by all taxpayers and not just retailers and wholesalers. Finally, some workshop participants voiced concern that higher fees for exemptions could serve as a disincentive and thereby diminish creative approaches. CALFED recognizes the need to engage and resolve these issues, but believes funding-related concerns are best resolved at the state legislature or through the regulatory drafting process.

Based on discussions to-date, staff believes it is putting forward an approach that is balanced, credible and consistent with WUE objectives and goals.

Attachments

6/20/02 letter from California Urban Water Agencies (CUWA)

7/29/02 letter from the City of Santa Barbara

8/5/02 letter from Santa Barbara County Water Agency

8/28/02 letter from 10 environmental organizations



CALIFORNIA URBAN WATER AGENCIES

June 20, 2002

Mr. Patrick Wright
Executive Director
CALFED
1416 9th Street, Rm. 1155
Sacramento, CA 95814

Mr. Tom Gohring
Program Manager
Water Use Efficiency
1416 Ninth Street, Room 1155
Sacramento, CA 95814

Subject: Urban Water Conservation Certification Project Assurances/Incentives

Dear Mr. Wright and Mr. Gohring:

California Urban Water Agencies (CUWA) appreciates this opportunity to provide input to the CALFED Water Use Efficiency Subcommittee (WUE PAC).

As you know CUWA has not actively participated in the deliberations of the ad hoc working group which has been discussing the certification framework for the past several months. However, several staff of CUWA member agencies have participated and have kept CUWA informed of progress.

We are aware that there appears to be a consensus that water conservation can best be advanced through the use of incentives for urban water purveyors to achieve certified status. The CUWA member agencies strongly believe that the best incentive, and possibly the only one which would be fully effective, is the procedure described in the attached paper. This concept has been discussed in general terms by CUWA agency personnel and some WUE PAC members, but we are now submitting specific language for subcommittee consideration.

In essence this proposal would establish a presumption that a water purveyor certified to be in compliance with its obligations under the urban MOU would not be asked to rejustify its level of conservation activity during review of subsequent individual projects.

We believe that implementation of this concept would provide the best incentive for the governing Boards of water agencies to support mandatory review and certification of agency compliance with the urban MOU. This approach would also improve administrative efficiency by establishing a one-stop-shop for evaluating the adequacy of urban conservation activities.

Please forward this proposal to the WUE subcommittee for consideration at its June 24 meeting. If you have any questions please contact me at 916-552-2929.

Sincerely,

Walt Pettit
Executive Director

cc: CUWA Board of Representatives

URBAN WATER CONSERVATION CERTIFICATION PROCESS ASSURANCES

California Urban Water Agencies Proposal June 20, 2002

Introduction

One of the fundamental tenets of CALFED is that improvements in all elements of the program must be linked to each other. A prime example of this linkage is the relationship between improved water supply reliability and increased water use efficiency through conservation. It is the responsibility of urban water suppliers to demonstrate that they are implementing best efforts to achieve feasible and practicable water conservation at the same time as new water supplies are developed. Conversely, urban water suppliers that have demonstrated their commitment to water conservation must receive assurances that they will not be faced with never ending demands for still higher levels of conservation whenever they seek to implement water supply projects.

The Best Management Practices Memorandum of Understanding for Water Conservation (BMP MOU) has a similar goal. That is, to require urban water suppliers to implement aggressive water conservation programs consistent with the BMP MOU, in return for assurance that implementation of those programs will constitute an appropriate level of conservation in any regulatory proceedings in which the agencies' conservation is at issue.

A CALFED-convened stakeholder group has been assisting in the development of a draft framework that would integrate the BMP MOU certification process with implementation of projects consistent with the ROD which are intended to increase water supply reliability. The group has developed recommendations in several areas, including a recommendation that the certification process emphasize incentives over disincentives. Assurances and streamlined approvals for water supply projects have been suggested as the most effective form for these incentives.

General Recommendation

CUWA believes that tying BMP MOU certification to appropriate permitting and approval processes, including but not limited to the Clean Water Act Section 404 permitting process and Section 401 water quality certification process, would be an effective way to link implementation of water conservation with assurances that CALFED water supply reliability projects will be built. This linkage would be achieved by providing that any urban water supplier with a State Water Resources Control Board certified water conservation program would be deemed to have met any requirement in the appropriate permitting or approval process to consider additional water conservation as an alternative, or part of an alternative, to implementing a water supply project which is consistent with the CALFED ROD.

Background

Procedures adopted by the regulatory agencies for permitting and approval processes sometimes provide for evaluation of water conservation measures of project proponents. For example, the EPA guidelines for consideration of projects subject to Section 404 require a finding that the project represents the least environmentally damaging practicable alternative (“LEDPA”), with the notion of practicability meaning:

“... [A]vailable and capable of being done after taking into consideration costs, existing technology, and logistics in light of overall project purposes.” (40 C.F.R. § 230.3(q).)

In the case of a project to meet water supply needs, these EPA regulations in essence create a presumption that additional conservation measures – as well as recycling and other “softpath” alternatives – are available as alternatives, or part of an alternative, that do not impact the aquatic environment. The proponent of the water supply project must overcome that presumption by demonstrating that additional conservation is not practicable, or does not meet the project goals, that all other practicable alternatives have been or are being implemented, and there is still a need for the proposed project.

At the same time, the Record of Decision for the CALFED Program includes a Section 404 MOU intended to streamline Section 404 permitting by limiting the scope of alternatives that must be considered in the LEDPA finding. When a project proponent applies for a Section 404 permit, reexamination of alternatives already analyzed at the program level is not required, and only project-level alternatives need be analyzed in making the LEDPA finding. This streamlined LEDPA review and approval procedure is conditioned on implementation of the programs and commitments of the CALFED Program – including water conservation – on the schedule as set forth in the ROD.

CUWA proposes that SWRCB certification of an urban water supplier’s water conservation program should constitute a finding that conservation beyond the levels contained in the certified program is not a practicable alternative, or part of a practicable alternative, for the purposes of the LEDPA analysis. While additional water conservation would be eliminated as an alternative, or a requirement for part of an alternative, the LEDPA analysis would still be required with respect to other potential alternatives to the proposed water supply project. A similar approach could also be taken with regard to other permitting and approval processes.

Approaches for Obtaining Assurances

The approach would be to enact federal legislation codifying this SWRCB certification/regulatory agency assurances approach to ROD projects proposed by urban water suppliers. Inclusion of the language in a CALFED authorization or appropriation bill would limit the proposed approach to only those projects contemplated in the ROD and would not amend regulatory agency processes with respect to other states or to projects not anticipated by CALFED. A simple version of such language would be:

“An urban water purveyor whose water conservation program has been certified by the California Water Resources Control Board as being in compliance with the requirements of the Best Management Practices Memorandum of Understanding dated _____, as it might be amended, shall be deemed to have fully considered water conservation as an alternative, or part of an alternative, to the proposed activity, and that an increase in the level of conservation beyond that contained in its certified water conservation program is not practicable within the meaning of the Clean Water Act and any rules or regulations adopted thereunder.”

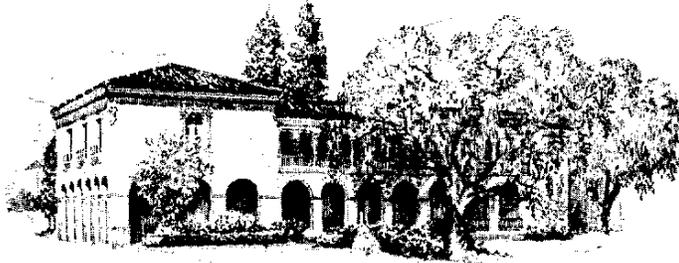
CITY OF SANTA BARBARA

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630 Garden Street
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July 29, 2002

Mr. Tom Gohring
Water Use Efficiency (WUE)
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

SUBJECT: URBAN WATER CONSERVATION CERTIFICATION

Dear Mr. Gohring:

The City of Santa Barbara (City) has been a signatory to the Memorandum of Understanding Regarding Urban Water Conservation in California since 1991 and since that time, the City has been an active member of the California Urban Water Conservation Council (CUWCC). We have reviewed the CALFED Staff Proposal for Urban Water Conservation Certification, and offer the following comments:

1. Overall, the conceptual framework is heading in a good direction. We appreciate the efforts of the Urban Certification Working Group and understand that there are many different approaches and points of view to consider.
2. We are concerned with the additional potential costs for agencies. We recommend that the cost be scaled to the size of agency similar to the scaling for CUWCC dues.
3. As mentioned, other incentives/disincentives are expected to be considered. We strongly encourage that substantive incentives/disincentives be added to achieve the goal of BMP implementation by non-cooperating agencies. The proposal that eligibility for WUE financial assistance being conditional on meeting certification is not a strong incentive/disincentive to a non-participating agency. Agencies that do not implement BMPs are not likely to be looking for funding to implement BMPs. The current proposal adds a significant cost and administration effort. The incentives/disincentives must be strong, practical and effective to make it worthwhile to go to such expense and effort.
4. Funding assistance from State and Federal agencies to implement BMPS is critical, and we are pleased that this is mentioned in the document. We encourage CALFED and DWR to streamline and improve the WUE grant process in an effort to make the grant application process as simplified and straightforward as possible.

Thank you for the opportunity to submit these comments. Please contact Alison Jordan, Water Resources Specialist, at (805) 564-5574, if you have any questions.

Sincerely,


For Steve Mack
Water Supply Manager

AJ/dm

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August 22, 2002

Tom Gohring
Water Use Efficiency (WUE)
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

SUBJECT: URBAN WATER CONSERVATION CERTIFICATION

Dear Mr. Gohring:

The Santa Barbara County Water Agency has been a signatory to the Memorandum of Understanding Regarding Urban Water Conservation in California since 1991 and since that time has been an active member of the California Urban Water Conservation Council. Staff has reviewed the CALFED Staff Proposal for Urban Water Conservation Certification and offers the following comments.

1. We appreciate the efforts of the Urban Certification Working Group and understand that there are many different approaches and points of view to consider.
2. We are concerned with the additional potential costs for agencies. We recommend that the cost be scaled to the size of agency similar to the scaling for CUWCC dues.
3. As mentioned, other incentives/disincentives are expected to be considered. We strongly encourage that substantive incentives/disincentives be added. In our opinion, the proposed incentive/disincentives would cause little to no change in current status of participation by urban water agencies to implement the BMPS. The proposal that eligibility for WUE financial assistance being conditional on meeting certification is not a strong incentive/disincentive to a non-participating agency. Agencies that do not implement BMPs are not likely to be looking for funding to implement BMPs. The current proposal adds a significant cost and administration effort. The incentives/disincentives must be strong, practical and effective to make it worthwhile to go to such expense and effort.
4. Funding assistance from state and federal agencies to implement BMPS is critical and we are pleased that this is mentioned in the document. We encourage CALFED and DWR to streamline and improve the WUE grant process in an effort to make the grant application process as simplified and straightforward as possible.
5. Utilizing the same size requirements as the Urban Water Management Plan seems to make sense for the certification of BMPs. However, it is our understanding that only 5% of the water purveyors within the state fall within this size category. Therefore, using these limits would leave out a significant number of agencies and therefore result in a loss of potential to reduce water use significantly.

Thank you for the opportunity to submit these comments. Please contact Rory Lang, Water Agency Program Specialist, at (805) 568-3545 if you have any questions.

Sincerely,

Robert Almy
Water Agency Manager

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**Environmental Defense `` Natural Resources Defense Council
Mono Lake Committee `` League of Women Voters of California
Clean Water Action `` California League of Conservation Voters
Butte Environmental Council `` Women's Cancer Resource Center
The Bay Institute `` Physicians for Social Responsibility**

August 28, 2002

Gary Hunt, Public Advisory Committee Chair
Patrick Wright, Executive Director
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Re: Urban Water Conservation Certification Incentives

Dear Messrs. Hunt and Wright:

Our organizations have reviewed the proposal from the California Urban Water Agencies that certification for the implementation of Best Management Practices (BMPs) for water conservation should serve as a blanket substitute for certain legal obligations under the Clean Water Act and other statutes (June 20, 2002). CUWA argues that "implementation of this concept would provide the best incentive" for its members to support a mandatory review and certification of water agency compliance with the water conservation objectives contained in the Urban Water Conservation Memorandum of Understanding.

We strongly oppose this proposal. There is no legal authority for CALFED, or any CALFED agency, to provide legal assurances of this nature that would be generally applicable for whatever project an agency might seek to build at any time in the future. The necessary changes in Federal law would undoubtedly encounter resistance in other parts of the country. Furthermore, certification is not intended to be permanent but would be subject to periodic review and random audits. The assurances that CUWA seeks, however, would allow permanent projects to proceed.

Nearly all the CUWA agencies were original signatories to the Urban Water Conservation MOU over a decade ago. Now, as then, responsible water agency managers recognize the multiple benefits of making cost-effective investments to improve the efficiency of water distribution and use within their respective service areas. We believe that the additional financial incentives to fund water conservation programs, as identified in the CALFED ROD and broadly discussed between the stakeholder groups within the California Urban Water Conservation Council, are significant, and that the certification of agency implementation of cost-effective BMPs is not a "burden" that requires the additional far-reaching incentives suggested by CUWA.

On the whole, we have been encouraged by the progress that has been made to date regarding the development of a program to certify the implementation of the BMPs for water conservation by

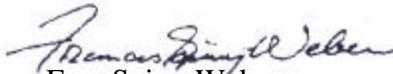
Gary Hunt and Patrick Wright
August 29, 2002
Re: Urban Water Conservation Certification Incentives
Page 2

urban water agencies, as called for in the CALFED Record of Decision. The staff proposal presented to the Water Use Efficiency Project Advisory Committee in August presents a workable administrative framework and a schedule for resolving the key issues that remain outstanding. In our view, the best "assurance" that an agency's certified status will fully taken into account in subsequent project reviews is for the certification process itself to be thorough, open, and fair, and we urge the CUWA agencies to continue to work with us toward that end.

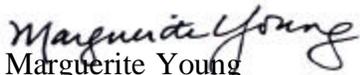
Thank you for your consideration of our views.



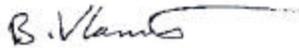
Spreck Rosekrans
Environmental Defense



Fran Spivy-Weber
Mono Lake Committee



Marguerite Young
Clean Water Action



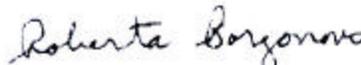
Barbara Vlamis
Butte Environmental Council



Grant Davis
The Bay Institute



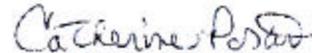
Barry Nelson
Natural Resources Defense Council



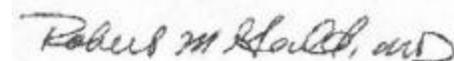
Roberta Borgonovo
League of Women Voters of California



Jon Rainwater
California League of Conservation Voters



Catherine A. Porter
Women's Cancer Resource Center



Robert M. Gould, MD
Physicians for Social Responsibility

cc: Tom Gohring, CALFED
Walt Pettit, CUWA
Mary Nichols, Resources Agency

Memorandum

To: Gary Hunt, Chair,
Bay Delta Public Advisory Committee

From: David Guy & Frances Spivy-Weber, Co-Chairs,
Water Use Efficiency Subcommittee

Date: September 3, 2002

Re: Request: Advise Adoption of Agricultural WUE Milestones (ROD Action #79)
by CALFED Agencies

Consensus-Recommended BDPAC Action

On behalf of the Water Use Efficiency (WUE) Subcommittee, we request that the BDPAC advise CALFED agencies to adopt the attached Proposal for Agricultural WUE Milestones (ROD Action #79) and implement the work described therein. In putting forward this request, the WUE Subcommittee recognizes that successful implementation of the Ag Milestones proposal necessitates aggressive funding and we, therefore, ask that the BDPAC advise CALFED Agencies to provide a level of WUE funding consistent with the August 2000 CALFED Record of Decision (ROD).

Rationale for WUE Subcommittee Support

The WUE Subcommittee unanimously supports the proposed approach outlined in the attached Staff Proposal. This support, coming from agricultural, urban and environmental stakeholder groups, rests on the staff's development of a proposal that includes: (1) an objective-driven approach consistent with CALFED goals; (2) regionally sensitive benchmarks; (3) tangible and realistic performance measures capable of yielding meaningful results; (4) acknowledgement of important technical work yet to be done; and, (5) a nuanced process for tracking progress and carefully considering appropriate responses. Additionally, the proposal was developed through and will continue to benefit from meaningful public involvement.

Background

This document outlines the CALFED Bay-Delta Program's proposed process to periodically track, assess, report on and, as warranted, revise agricultural Water Use Efficiency milestones. These milestones are keyed primarily to agriculture's participation in a CALFED-driven loan and grant program intended to fund water management projects that will provide multiple benefits cost-effective at the statewide level.

This approach -- an important part of the overall package of WUE assurances -- provides stakeholders with a clear definition of the success of the CALFED Ag WUE component and provides CALFED Agencies with a clear process for gauging and reporting WUE status. These milestones are expected to be an important part of the

ROD-specified Year-4 WUE Assessment, which in turn is expected to be an important consideration in seeking regulatory approval for surface storage projects.

Stakeholder Involvement

The concepts incorporated into this framework build on a variety of past stakeholder discussions. Many of the concepts embedded in this approach are derived from pre-ROD, Ag WUE Steering Committee deliberations. The concepts were further informed by extensive discussions in mid-2001 with a Staff Work Group consisting of agricultural, environmental and CALFED agency representatives and partners. Finally, this proposal has been discussed at public workshops throughout the State, and at two meetings of the WUE Subcommittee. (See **Attachment 2** for a summary of public comments.)

Next Steps

With BDPAC approval, staff will take the steps necessary to implement this package of milestones. Most immediately, staff will work with its appropriate partners to ensure that the funding and technical work necessary to move forward with this effort are in place.

Attachments

Attachment 1: Staff Proposal for Agricultural Water Use Efficiency Milestones

Attachment 2: Summary of Stakeholder Comments

CALFED Bay-Delta Program

**STAFF PROPOSAL FOR
AGRICULTURAL WATER USE
EFFICIENCY MILESTONES**

**For Discussion at the September 19, 2002,
Bay-Delta Public Advisory Committee
Meeting**

Prepared by the Water Use Efficiency Element

CALFED Bay-Delta Program
Staff Proposal for Agricultural
Water Use Efficiency Milestones

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CALFED Bay-Delta Program
Staff Proposal for Agricultural
Water Use Efficiency Milestones

SECTION I: INTRODUCTION:

Intent and Use of This Document

The Water Use Efficiency (WUE) Program is in the process of devising a comprehensive and broadly supported set of Program assurances. This document outlines the Program's proposed structure for addressing the agricultural-related portion of these assurances, which includes a process to periodically track, assess, report on and, as warranted, revise agricultural WUE-specific milestones.

This proposed approach to Agricultural WUE Milestones (Ag WUE Milestones) is to be formally reviewed and discussed with CALFED public advisory bodies and CALFED agency decision-makers. The Program expects to finalize this approach by mid-2002.

CALFED recognizes that the proposed approach demands consistent and meaningful progress by CALFED agencies in articulating and confirming WUE-specific milestones. CALFED further recognizes that the benchmarks outlined in this document are dependent on funding consistent with the August 2000 CALFED Record of Decision. If funding continues to deviate from ROD-stipulated levels, milestones and associated target thresholds will need to be revised commensurate with funding realities.

CALFED Water Use Efficiency Program Background

The CALFED Bay-Delta Program is a cooperative effort among state and federal agencies and the public to ensure a healthy ecosystem, reliable water supplies, good quality water, and stable levees in California's Bay-Delta system.

The Water Use Efficiency (WUE) Element – one of several CALFED program elements – is one of the cornerstones of CALFED's water management strategy. The WUE Element is unique nationally in its magnitude and its aggressive approach to water management.

Consisting of agricultural, urban, water recycling and managed refuge components, the WUE Program is based on the recognition that although efficiency measures are implemented locally and regionally, the benefits accrue at local, regional and statewide levels. The ultimate goal of the WUE Element is to develop programs and assurances that contribute to CALFED goals and objectives, have broad stakeholder acceptance, foster efficient water use, and help support a sustainable economy and ecosystem.

A key component of the WUE Element effort is a grant program intended to fund water management projects that will provide multiple benefits that are cost-effective at the statewide level. These benefits – drawn primarily from existing CALFED documents, the State's Impaired Water Body list (303d of the State Water Resources Control Board)

and discussions with local agricultural representatives – are targeted at achieving region- and time-specific goals related to ecosystem restoration, water quality and water supply reliability. WUE staff have been developing numeric targets – referred to as Quantifiable Objectives and expressed in terms of acre feet of water for a particular reach during a specific period – that represent the Program’s best, first-cut estimate of the practical, cost-effective contribution agriculture can make to attaining these water quality-, quantity- and in-stream flow/timing-related benefits. CALFED expects to articulate as many as 200 Quantifiable Objectives.

The WUE Element recognizes that its efforts are and will continue to be linked to and supported by other key programs, both within and outside the CALFED Bay-Delta Program. The WUE Element is committed to coordinating its efforts with the CALFED Science Program, relevant CALFED programs (such as the Ecosystem Restoration Program), and other state and federal agencies pursuing related activities. Both the list of CALFED benefits and related Quantifiable Objectives will be revised over time, based on information provided by the WUE Program in consultation with the Science Program, regarding the effectiveness of actions in achieving the desired benefits.

Impetus for the Development of Ag WUE Milestones

The CALFED ROD calls on CALFED to undertake annual evaluations to assess the effectiveness of its Water Use Efficiency Element and guide subsequent investments and program refinements. Specifically, the Record of Decision includes the following commitment:

“Within one year from the adoption of this ROD, CALFED Agencies will establish specific milestones, and associated benefits, remedies and/or consequences to track and guide the implementation of the Agricultural Water Use Efficiency Program.”

The milestones, target thresholds and proposed responses¹ presented in this document are intended to fulfill the ROD commitment related to agricultural milestones. A parallel effort – implementation of an urban certification process by the end of 2002 – is being undertaken to fulfill ROD-stipulated actions as they relate to urban assurances.

Process for Developing Ag WUE Milestones:

The WUE Element has relied on a set of key principles in developing the suggested approach outlined in this document. These principles – build on existing work, craft a balanced approach, involve stakeholders and draw on the necessary expertise – are also echoed in the Record of Decision:

“CALFED Agencies will put in place a process, structured to include the involvement and buy-in of interested parties (stakeholder and agency), to accomplish this work. The process will build on the work already begun by the Agricultural Water Use Efficiency Steering Committee.”

¹ The Program uses the phrase “responses” to address the ROD’s stipulation that the Program develop “associated benefits, remedies and/or consequences.”

Below is a brief overview of the specific steps taken over the past few years to develop the ideas incorporated in this narrative. They include:

- **Pre-ROD Stakeholder Discussions.** Pre-ROD Ag Water Use Efficiency advisory committees (“Focus Group” and “Steering Committee”) developed significant materials and approaches related to assurances. Many of the concepts found in this document were initially developed by these groups.
- **Preliminary Staff Drafts.** CALFED staff and consultants developed numerous draft papers and possible approaches related to agricultural WUE milestones, thresholds and possible responses. These drafts were structured to be consistent with earlier stakeholder discussions.
- **Ad Hoc Work Group.** Between May 2001 and October 2001, CALFED convened an ad-hoc committee consisting of agricultural, environmental and agency representatives to serve as an informal sounding board on issues related to Ag WUE assurances. This ad-hoc committee focused much of its discussions on the draft approaches presented by CALFED staff and consultants.
- **Final Staff Draft.** Based on the informal stakeholder feedback outlined above and the advice of technical staff, WUE staff drafted the proposed approach outlined in this document. This approach has been discussed with affected stakeholder communities through a series of public meetings held in May 2002. CALFED believes the recommendations incorporated in this material represent an approach that is balanced, credible and consistent with WUE objectives and goals.

SECTION II: DESCRIPTION OF AG WUE MILESTONES:

The Water Use Efficiency Element is putting forward a set of milestones that it believes will enable CALFED and interested stakeholders to effectively track progress and craft the necessary changes to the implementation strategy. Staff also believes the approach offers a simple, yet sophisticated process that balances the desire for concrete performance targets with the need for carefully nuanced responses when and if there is non-attainment.

Broadly, the approach to ag WUE milestones rests on several key concepts:

- Milestones will be simple and streamlined, yet sophisticated enough to track overall progress and incorporate the WUE Element’s core principles (objective-oriented, region-specific, incentive-driven actions).
- Progress towards implementation will be pegged only towards those Quantifiable Objectives that have been articulated at the time of assessment. The WUE Element will continue its ongoing work to articulate the remaining Quantifiable Objectives.
- Effort and outcome-related milestones will be staggered to provide sufficient time for actions to yield measurable results.

- Threshold targets will be based on a thorough assessment of program participation to-date and a reasonable estimation of future program performance.
- The successful attainment of milestones will be reported on a regular basis to CALFED public advisory bodies and CALFED agency policy-makers to inform future funding and implementation decisions within WUE and across other programs.
- Any process used to track progress towards achieving milestones will account for the varying causes of possible non-attainment, including but not limited to: insufficient funding, insufficient effort by CALFED, insufficient effort by cooperator and/or insufficient conceptual models. Responses will be crafted to account for these varying causes.
- The WUE Element will track progress in a manner that accounts for the scheduled assessments called for in the Record of Decision. To that end, wherever possible, milestones will be keyed to assessing progress two, four and seven years after the August 2000 signing of the ROD.

Building off these concepts, the ag WUE milestones – also referred to as “leading indicators” – seek to track three broad areas: administrative, implementation and results. These milestones are described in the section below and summarized in the accompanying tables (see Attachment 1). As noted earlier, if funding continues to deviate from ROD-stipulated levels, milestones and associated target thresholds will need to be refined commensurate with funding realities.

Administrative Milestones

Administrative milestones are focused on just one area: acreage enrollment in the Agricultural Water Management Council (AWMC). The targets – 3.8 million total acres within two years of the August 2000 ROD, 4.2 million within five years and 4.65 million acres within eight years – reflect enrollment targets already incorporated into the Cooperative Agreement between CALFED and the AWMC. These targets also include the estimated 3.3 million acres already enrolled in the AWMC. The WUE Element includes these targets as a key milestone, since the AWMC’s work is seen as facilitating broad-based, locally cost-effective water conservations actions.

Successful attainment of administrative milestones will be reported on a regular basis to CALFED public advisory bodies and CALFED agency policy-makers. If milestones are not achieved, CALFED staff – using a process outlined in Section Three – will first seek to identify the causes of non-attainment. Possible reasons include: Cooperative Agreement not executed by December 2001; insufficient funding; unrealistic enrollment targets; ineffective marketing/outreach efforts; and/or, districts not willing to participate. Once the reason(s) are identified, staff will put forward a set of responses crafted to address the causes for non-attainment. For example, in the case of acreage enrollment targets, possible responses include: revise targets; increase funding; develop alternative marketing and/or implementation strategy; and/or change implementation partner.

Implementation Milestones

Implementation milestones are intended to track indicators that demonstrate progress in carrying out key tasks in the WUE Element implementation strategy. The milestones, described below, are focused on three areas in particular: grant program funding, grant program participation and grant program projected effects.

- **Grant Program Funding.** Budgetary targets are keyed to the ag-specific, grant-related figures extrapolated from the Record of Decision: \$15 million in federal/state funding in Year 2; \$166 million in federal/state funding in Year 4; and \$476 million in federal/state funding in Year 7. These funding targets are seen as vital, since they enable the WUE Element’s incentive-driven approach. The implementation milestones also call for CALFED to earmark 90% of the ag-specific grant funding for the pursuit of the CALFED-developed Quantifiable Objectives.
- **Grant Program Participation.** The WUE approach is grounded in a voluntary, incentive-driven approach. Still, WUE staff believes it is important to track, in aggregate, broader agricultural participation in the program. To do so, WUE staff will look at two key indicators. One indicator – percent of money allocated – seeks to assess whether the earmarked grant funding is actually being awarded and spent; the WUE Element believes a successful program will be allocating 100% of the available funds. As well, to ensure that water use efficiency efforts are being undertaken throughout the CALFED Solution Area, the WUE Element includes a geographic distribution milestone: percentage of articulated Quantifiable Objectives being pursued in each region. Targets are 35% in Year 4 and 50% in Year 7. No target is included for Year 2.
- **Grant Program Projected Effects.** The WUE Element will look at the *projected* cumulative effects of grant-funded actions to assess the potential for the program to deliver flow/timing-, water quality- and water quantity-related Quantifiable Objectives (QOs). While projected effect will need to be verified in later years, expected benefits offer an important, interim tool for tracking program progress. Targets associated with this milestone are, as follows:
 - In Year 2, grant-funded actions are projected to achieve at least: 5% of cumulative acre-feet of articulated flow/timing QOs; 2% of cumulative acre-feet of articulated water quality QOs; and 2% of cumulative acre-feet of articulated water quantity QOs.
 - In Year 4, grant-funded actions are projected to achieve at least: 50% of cumulative acre-feet of articulated flow/timing QOs; 20% of cumulative acre-feet of articulated water quality QOs; and 20% of cumulative acre-feet of articulated water quantity QOs.
 - In Year 7, grant-funded actions are projected to achieve at least: 90% of cumulative acre-feet of articulated flow/timing QOs; 70% of cumulative acre-feet of articulated water quality QOs; and 70% of cumulative acre-feet of articulated water quantity QOs.

Successful attainment of implementation milestones will be reported on a regular basis to CALFED public advisory bodies and CALFED agency policy-makers. If milestones are not achieved, CALFED staff – again, using the process outlined in Section Three below – will first seek to identify the causes of non-attainment. Possible reasons include: insufficient funding available to either the CALFED, WUE or WUE Grant programs; shifting funding priorities within CALFED; insufficient effort by CALFED; incorrect QO-action linkage; and/or insufficient response by potential grant program participants. Possible responses include but are not limited to: improve program funding; revise targets to account for diminished funding or shifting funding priorities; revamp CALFED implementation efforts, including its marketing/outreach strategy and financial incentives; re-evaluate and modify conceptual models; and/or develop alternative implementation strategies, considering both regulatory and non-regulatory approaches.

Results Milestones

Results milestones – the most important of all the benchmark indicators – are structured to assess the program’s progress in actually *realizing* its intended benefit: acre-feet of water associated with either water quality, water quantity or flow/timing objectives. Specific results-oriented targets are as follows:

- **For flow/timing-related Quantifiable Objectives:** Achieve at least 2% of cumulative acre-feet of articulated flow/timing QOs in Year 2; at least 20% in Year 4; and at least 80% in Year 7.
- **For water quality-related Quantifiable Objectives:** Achieve at least 1% of cumulative acre-feet of articulated water quality QOs in Year 2; at least 10% in Year 4; and at least 60% in Year 7.
- **For water quantity-related QOs:** Achieve at least 1% of cumulative acre-feet of articulated water quantity QOs in Year 2; at least 10% in Year 4; and at least 60% in Year 7.

Successful attainment of results-oriented milestones will be reported on a regular basis to CALFED public advisory bodies and CALFED agency policy-makers. If milestones are not achieved, CALFED staff – once again using the process outlined in Section Three below – will first seek to identify the causes of non-attainment. Possible reasons include: insufficient effort by CALFED; incorrect QO-action linkage; insufficient performance assessment (monitoring, timescale, etc.) and/or insufficient effort by grant program participants. Possible responses include but are not limited to: alter CALFED program implementation (funding, prioritization, financial incentives, QO articulation, interagency coordination and/or technical assistance); re-evaluate and modify conceptual models; increase/alter investment in monitoring and data analysis; improve access to and support for market strategy; and/or develop alternative implementation strategies, considering both regulatory and non-regulatory approaches.

Approach for Handling Unanticipated Outcomes

WUE Element staff recognizes that, as the program moves forward, it is likely to encounter unanticipated barriers and outcomes. For example, funding levels for CALFED may shift, technical work related to Quantifiable Objectives may generate unexpected results or ecosystem priorities may change. WUE staff has tried to anticipate such unknowns by putting in place a review mechanism that: 1) draws on numerous information sources (grantees, WUE staff, CALFED Science Program and others) to assess progress; and, 2) then develops nuanced responses that account for the underlying reasons for non-attainment. The WUE staff believes this combination of stipulated milestones and an adaptive framework for tracking progress is the strongest approach to handling uncertainty.

Additional Performance Measures

WUE staff will work within the program and with others to track two additional categories of milestones. These are:

- **Within Program.** CALFED WUE Element staff will track, on a regular basis, a variety of management-related milestones to ensure the program is moving forward as anticipated. While these indicators – such as executing the Cooperative Agreement, articulating the remaining Quantifiable Objectives, providing technical assistance and other – are not key milestones, they do feed into the program’s ability to meet its more substantive milestones.
- **External to WUE.** Given WUE’s emphasis on using its grant program to provide beyond-locally-cost-effective benefits, it is essential that the program work closely with the Science Program, the Ecosystem Restoration Program and others to ensure that the intended broader effects – increased flows, improved biological and habitat goals – are being realized. WUE staff expects and will facilitate frequent discussions and information-sharing with and across all relevant programs.

SECTION III: PROCESS FOR EVALUATING MILESTONES:

The Water Use Efficiency Element is moving forward with a program that is highly innovative – both in its approach and in the information it will use and refine. It also is a program that will garner much attention – from interest groups, from the broader public and from its funding sources. In fact, the Record of Decision itself stipulates that a comprehensive analysis be undertaken after four years to track the Program’s effectiveness and determine future direction and funding.

With this in mind, WUE staff believe it is essential that the program put in place a process for tracking and assessing milestones that not only articulates clear benchmarks, but also identifies a credible strategy for generating a sophisticated assessment of Program progress, barriers and adaptive responses. Such a process – outlined below and reflected in the accompanying graphic (Figure 1) – is considered to be essential if the Program is to move forward in an effective manner and with broad stakeholder support.

- **Information Gathering.** The WUE Element intends to rely on several key sources of data to track program progress. Much of the information will come from water users and others that receive grant funding to carry out water use efficiency actions. Requirements are being developed by the program to guide such monitoring and reporting efforts. WUE staff also will generate reports, such as information on program funding decisions and overall participation in the ag WUE grant program. Finally, and importantly, WUE staff will put in place a comprehensive effort to provide an ongoing look at the program’s technical and scientific underpinnings. Likely areas of focus will include, but not be limited to: articulation and possible refinement of Quantifiable Objectives (QO), QO-flow path linkage and monitoring strategies. Information will be drawn from the CALFED Science Program and other relevant CALFED programs, agencies and initiatives. A standing technical review committee – consisting of agricultural, environmental and agency representatives – also will be convened to assist in this effort. The composition, recruitment criteria and duties of the standing committee will be reviewed with the Water Use Efficiency Public Advisory Committee.
- **Preliminary Findings/Recommendations.** Using the information generated above, WUE staff will prepare preliminary findings that assess the Program’s progress in meeting targets and, when necessary, identify reasons for non-attainment. These findings will provide a detailed assessment of each of the key indicators developed as part of the Program’s milestones. Additionally, the staff report will propose responses that it believes will improve the effectiveness of the WUE program. (For example, if WUE staff believe the Quantifiable Objectives thresholds are not realistic, WUE staff may recommend modifications.) WUE staff may consult with ad-hoc committees, as needed, to assist in this effort.
- **Technical Review.** The WUE Program will convene the standing technical review committee to critique the staff-driven report and either confirm its findings or make suggestions for altering the report. Suggestions might include additional information needs, reinterpretations of data or revised recommendations. The technical review committee will strive to provide consensus feedback.
- **Draft Recommendations.** Using comments from the technical review committee, the WUE Program will prepare a draft report for consideration by public advisory bodies and CALFED agencies. The report will provide a comprehensive assessment of ag WUE progress to-date (keyed to the milestones outlined in the section, “Description of Milestones,” above) and spell out any proposed program revisions. WUE staff will highlight and explain the rationale for any instance where it opts not to incorporate advice from the technical review committee. Staff recommendations will be informed, as appropriate, by discussions with CALFED management, the CALFED Science Program and others to account for cross-program implications.
- **Public Review.** Both the Water Use Efficiency Public Advisory Committee and the Bay-Delta Public Advisory Committee will be responsible for reviewing the draft report and providing comment to CALFED staff on any suggested revisions. WUE staff will revise the report, as appropriate, before forwarding a final version to CALFED agencies. WUE staff will highlight and explain the rationale for any

instance where it does not incorporate advice from either of the public advisory committees. WUE Program staff may convene, as appropriate, an independent review panel to provide a neutral critique of the entire process and findings.

- **CALFED Agency Review and Decision.** CALFED's decision-making entity – the Policy Group and/or its designee– will review the final report and direct the Program to either move forward with the measures outlined in the report or devise other responses. Policy Group will highlight and explain the rationale for any instance where its actions diverge from staff recommendations.

The WUE Program intends to conduct annual reviews using the process above. The process also will be used to fulfill the ROD commitment for a comprehensive review at the four-year mark. Additionally, as noted earlier, the WUE Program will coordinate with the CALFED Science Program and other CALFED elements to assess, among other things, the impact of WUE efforts on broader CALFED objectives.

SECTION IV: NEXT STEPS:

The approach outlined in this document is a staff-driven proposal informed by numerous, informal discussions within CALFED, with CALFED agencies and with a small, but diverse subset of agricultural and environmental stakeholders. As noted earlier, the proposed approach was vetted with affected stakeholder communities through a series of public workshops held throughout the state in May 2002.

As a next and final step, the WUE Program Manager recommends that this staff proposal be discussed with various CALFED decision-making bodies, including the WUE Subcommittee, the Bay-Delta Public Advisory Committee and the CALFED Policy Group. Once these bodies review and accept the proposed approach, CALFED staff will use these milestones to guide and track Program progress.

WUE staff expects to finalize this approach by mid-2002

**Agricultural Water Use Efficiency Program
Draft Assurances Milestones: Detailed Tables
Table 2: AWMC Acreage Enrollment**

MILESTONES	TARGET THRESHOLDS ³	POSSIBLE OUTCOMES	POSSIBLE REASONS	POSSIBLE RESPONSES
AWMC Acreage Enrollment	<u>Year 3</u> • 3.8 million acres enrolled	• Achieve targets		<ul style="list-style-type: none"> Continue implementation and consider adjustment of Cooperative Agreement Inform Policy Group
		• Do not achieve targets	• Cooperative Agreement not executed by December 2001	• Revise targets to account for contractual execution
	• Insufficient funding		• Increase funding	
			• Revise targets to account for reduced funding	
	• Unrealistic targets		• Develop alternative implementation strategy	
			• Revise targets	
	<u>Year 5</u> • 4.2 million acres enrolled		• Do not achieve targets	• Ineffective marketing/outreach
		• Districts not willing to participate		• Change implementation partner
<u>Year 8</u> • 4.65 million acres			• Develop alternative implementation strategy	

³ All timeframes on this and other tables keyed to August 2000 Record of Decision. AWMC targets assume Cooperative Agreement executed by December 2001.

**Agricultural Water Use Efficiency Program
Draft Assurances Milestones: Detailed Tables
Table 3: Grant Program Funding**

MILESTONES	TARGET THRESHOLDS	POSSIBLE OUTCOMES	POSSIBLE REASONS	POSSIBLE RESPONSES
Grant Program Funding	<u>Year 2</u> • \$15 million in fed/state funding allocated to-date • 90% of funds dedicated to QO pursuit ⁴	• Achieve targets		• Continue implementation • Inform Policy Group
		• Do not achieve targets	• Insufficient funding available for either CALFED, WUE or Grant Programs	• Increase funding to agreed levels
	• Revise targets to account for funding constraints			
	• Develop alternative implementation strategies, considering both regulatory and non-regulatory approaches.			
			• Assess impact/effectiveness of shifting funding priorities	
	<u>Year 4</u> • \$166 million in fed/state funding allocated to-date • 90% of funds dedicated to QO pursuit	• Do not achieve targets	• Change in funding priorities	• Re-establish initial funding priorities
• Develop alternative implementation strategies, considering both regulatory and non-regulatory approaches				
<u>Year 7</u> • \$476 million in fed/state funding allocated to-date • 90% of funds dedicated to QO pursuit				

⁴ Includes funding spent on QO-related directed actions, research and education

**Agricultural Water Use Efficiency Program
Draft Assurances Milestones: Detailed Tables
Table 4: Grant Program Participation**

MILESTONES	TARGET THRESHOLDS ⁵	POSSIBLE OUTCOMES	POSSIBLE REASONS	POSSIBLE RESPONSES
Grant Program Participation	<u>Year 2</u> • 100% of available funds allocated • No geographic distribution targets	<ul style="list-style-type: none"> Achieve targets 		<ul style="list-style-type: none"> Continue implementation Consider increase in funding for QO pursuit Inform Policy Group
	<u>Year 4</u> • 100% of available funds allocated • At least 35% of articulated QOs with strong ag linkage being pursued in each region ⁶		<ul style="list-style-type: none"> Insufficient effort by CALFED 	<ul style="list-style-type: none"> Improve Program funding, description, prioritization, outreach, interagency coordination and/or technical assistance
	<u>Year 7</u> • 100% of available funds allocated • At least 50% of articulated QOs with strong ag linkage being pursued in each region	<ul style="list-style-type: none"> Do not achieve targets 		<ul style="list-style-type: none"> Re-evaluate and modify “market strategy,” including financial incentives
			<ul style="list-style-type: none"> Insufficient response by potential grant program participants 	<ul style="list-style-type: none"> Develop alternative implementation strategies, considering both regulatory and non-regulatory approaches

⁵ CALFED recognizes that the regional target thresholds included in these tables are dependent on funding consistent with the August 2000 CALFED Record of Decision. If WUE Program funding continues to deviate from the ROD-stipulated levels included in Table 3, the thresholds will need to be refined commensurate with funding realities.

⁶ QOs are identified as having a strong ag linkage based on: 1) strength of flowpath linkage; and, 2) relative contribution of the QO to attaining the Targeted Benefit. Percentage targets based on number of QOs expected to be articulated, an evaluation of the cost of pursuing QOs and anticipated funding levels.

**Agricultural Water Use Efficiency Program
Draft Assurances Milestones: Detailed Tables
Table 5: Grant Program Projected Effects**

MILESTONES	TARGET THRESHOLDS ⁷	POSSIBLE OUTCOMES	POSSIBLE REASONS	POSSIBLE RESPONSES
Grant Program Projected Effects	<u>Year 2</u> • Projected to achieve at least: ➢ 5% of cumulative acre-feet of articulated flow/timing QOs ➢ 2% of cumulative acre-feet of articulated water quality QOs ➢ 2% of cumulative acre-feet of articulated water quantity QOs	<ul style="list-style-type: none"> • Achieve targets 		<ul style="list-style-type: none"> • Continue implementation • Consider increase in funding • Inform Policy Group
			<ul style="list-style-type: none"> • Insufficient effort by CALFED 	<ul style="list-style-type: none"> • Improve Program funding, description, prioritization, QO articulation, outreach, interagency coordination and/or technical assistance
	<u>Year 4</u> • Projected to achieve at least: ➢ 50% of cumulative acre-feet of articulated flow/timing QOs ➢ 20% of cumulative acre-feet of articulated water quality QOs ➢ 20% of cumulative acre-feet of articulated water quantity QOs	<ul style="list-style-type: none"> • Do not achieve targets 	<ul style="list-style-type: none"> • Incorrect QO – action linkage 	<ul style="list-style-type: none"> • Re-evaluate and modify conceptual models
	<u>Year 7</u> • Projected to achieve at least: ➢ 90% of cumulative acre-feet of articulated flow/timing QOs ➢ 70% of cumulative acre-feet of articulated water quality QOs ➢ 70% of cumulative acre-feet of articulated water quantity QOs		<ul style="list-style-type: none"> • Insufficient response by potential grant program participants 	<ul style="list-style-type: none"> • Re-evaluate and modify “market strategy,” including financial incentives • Develop alternative implementation strategies, considering both regulatory and non-regulatory approaches

⁷ CALFED recognizes that the acre-feet target thresholds included in these tables are dependent on funding consistent with the August 2000 CALFED Record of Decision. If WUE Program funding continues to deviate from the ROD-stipulated levels included in Table 3, the thresholds will need to be refined commensurate with funding realities.

**Agricultural Water Use Efficiency Program
Draft Assurances Milestones: Detailed Tables
Table 6: Grant Program Realized Effects – Flow/Timing Related⁸**

MILESTONES	TARGET THRESHOLDS ⁹	POSSIBLE OUTCOMES	POSSIBLE REASONS	POSSIBLE RESPONSES
Grant Program Realized Effects: Flow/Timing-related		<ul style="list-style-type: none"> Achieve targets 		<ul style="list-style-type: none"> Continue implementation Consider increase in funding Inform Policy Group
	<u>Year 2</u> <ul style="list-style-type: none"> Achieved at least 2% of cumulative acre-feet of articulated flow/timing QOs 		<ul style="list-style-type: none"> Insufficient effort by CALFED 	<ul style="list-style-type: none"> Improve Program funding, description, prioritization, QO articulation, outreach, interagency coordination and/or technical assistance
			<ul style="list-style-type: none"> Incorrect QO – action linkage 	<ul style="list-style-type: none"> Re-evaluate and modify conceptual models
	<u>Year 4</u> <ul style="list-style-type: none"> Achieved at least 20% of cumulative acre-feet of articulated flow/timing QOs 	<ul style="list-style-type: none"> Do not achieve targets 	<ul style="list-style-type: none"> Insufficient performance assessment (monitoring, timescale, etc.) 	<ul style="list-style-type: none"> Increase/alter investment in monitoring and data analysis
	<u>Year 7</u> <ul style="list-style-type: none"> Achieved at least 80% of cumulative acre-feet of articulated flow/timing QOs 		<ul style="list-style-type: none"> Insufficient effort by grant program participants 	<ul style="list-style-type: none"> Improve access to and support for “market strategy,” including financial incentives Develop alternative implementation strategies, considering both regulatory and non-regulatory approaches

⁸ CALFED recognizes that the acre-feet target thresholds included in these tables are dependent on funding consistent with the August 2000 CALFED Record of Decision. If WUE Program funding continues to deviate from the ROD-stipulated levels included in Table 3, the thresholds will need to be refined commensurate with funding realities.

⁹ Cumulative acre-feet counted towards this milestone must contribute to articulated Quantifiable Objectives, which in turn contribute to a CALFED benefit.

**Agricultural Water Use Efficiency Program
Assurances Milestones: Detailed Tables
Table 7: Grant Program Realized Effects – Water Quality Related¹⁰**

MILESTONES	TARGET THRESHOLDS ¹¹	POSSIBLE OUTCOMES	POSSIBLE REASONS	POSSIBLE RESPONSES
Grant Program Realized Effects: Water Quality-related	<u>Year 2</u> • Achieved at least 1% of cumulative acre-feet of articulated water quality QOs	• Achieve targets		• Continue implementation • Consider increase in funding • Inform Policy Group
			• Insufficient effort by CALFED	• Improve Program funding, description, prioritization, QO articulation, outreach, interagency coordination and/or technical assistance
	<u>Year 4</u> • Achieved at least 10% of cumulative acre-feet of articulated water quality QOs		• Incorrect QO – action linkage	• Re-evaluate and modify conceptual models
		• Do not achieve targets	• Insufficient performance assessment (monitoring, timescale, etc.)	• Increase/alter investment in monitoring and data analysis
	<u>Year 7</u> • Achieved at least 60% of cumulative acre-feet of articulated water quality QOs		• Insufficient effort by grant program participants	• Improve access to and support for “market strategy,” including financial incentives • Develop alternative implementation strategies, considering both regulatory and non-regulatory approaches

¹⁰ CALFED recognizes that the acre-feet target thresholds included in these tables are dependent on funding consistent with the August 2000 CALFED Record of Decision. If WUE Program funding continues to deviate from the ROD-stipulated levels included in Table 3, the thresholds will need to be refined commensurate with funding realities.

¹¹ Cumulative acre-feet counted towards this milestone must contribute to articulated Quantifiable Objectives, which in turn contribute to a CALFED benefit.

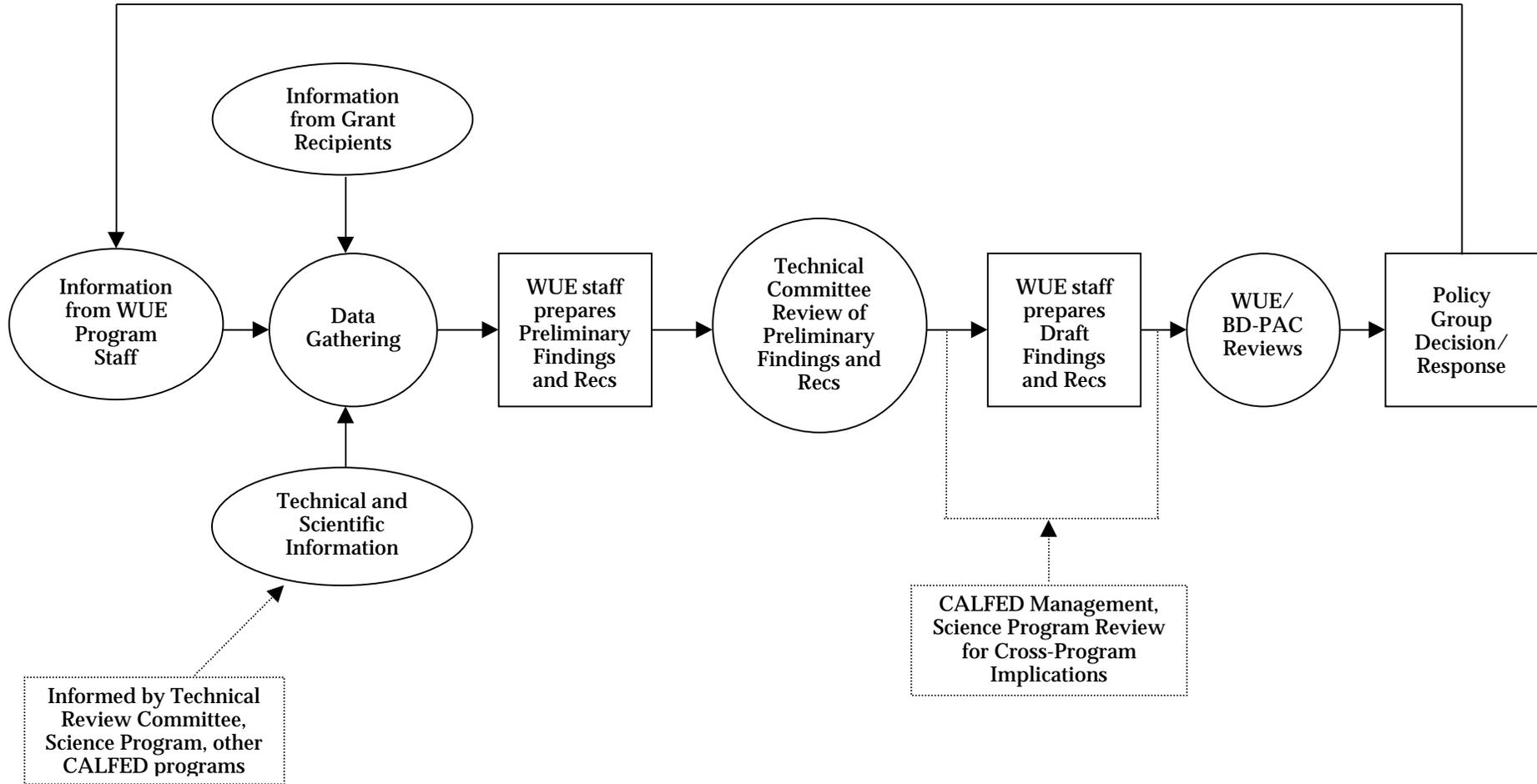
**Agricultural Water Use Efficiency Program
Assurances Milestones: Detailed Tables
Table 8: Grant Program Realized Effects – Water Quantity Related¹²**

MILESTONES	TARGET THRESHOLDS ¹³	POSSIBLE OUTCOMES	POSSIBLE REASONS	POSSIBLE RESPONSES
Grant Program Realized Effects: Water Quantity-related	<u>Year 2</u> • Achieved at least 1% of cumulative acre-feet of articulated water quantity QOs	• Achieve targets		• Continue implementation • Consider increase in funding • Inform Policy Group
		• Do not achieve targets	• Insufficient effort by CALFED	• Improve Program funding, description, prioritization, QO articulation, outreach, interagency coordination and/or technical assistance
	• Incorrect QO – action linkage		• Re-evaluate and modify conceptual models	
	• Insufficient performance assessment (monitoring, timescale, etc.)		• Increase/alter investment in monitoring and data analysis	
	<u>Year 4</u> • Achieved at least 10% of cumulative acre-feet of articulated water quantity QOs	• Do not achieve targets	• Insufficient effort by grant program participants	• Improve access to and support for “market strategy,” including financial incentives • Develop alternative implementation strategies, considering both regulatory and non-regulatory approaches
<u>Year 7</u> • Achieved at least 60% of cumulative acre-feet of articulated water quantity QOs				

¹² CALFED recognizes that the acre-feet target thresholds included in these tables are dependent on funding consistent with the August 2000 CALFED Record of Decision. If WUE Program funding continues to deviate from the ROD-stipulated levels included in Table 3, the thresholds will need to be refined commensurate with funding realities.

¹³ Cumulative acre-feet counted towards this milestone must contribute to articulated Quantifiable Objectives, which in turn contribute to a CALFED benefit.

Figure 1
Proposed Process for Evaluating Ag WUE Milestones and Developing Appropriate Responses
(For review and discussion with CALFED public advisory bodies, CALFED Policy Group and affected stakeholders.)



CALFED Bay-Delta Program
Staff Proposal for Agricultural
Water Use Efficiency Milestones
Summary of Stakeholder Comments

The concepts incorporated into the attached Staff Proposal were developed with significant past stakeholder input and have been further informed by discussions this spring and summer with representatives of affected stakeholder communities. In May 2002, CALFED conducted public outreach meetings in Willows, Oakland, Los Angeles and Bakersfield; the review of the proposed Ag WUE Milestones was a primary focus of these discussions. Additionally, the WUE Subcommittee discussed the Staff Proposal at its June 24 and August 8, 2002, meetings. Finally, stakeholders were invited to submit comments in writing to CALFED staff. (See attached letters.)

Stakeholders generally offered strong support for the proposed approach. They did, however, suggest several specific revisions. Below is a summary of the primary changes incorporated into the attached Staff Proposal based on these most recent discussions.

- **Funding.** The Staff Proposal has been revised to emphasize that the benchmarks outlined in the proposed approach are dependent on funding consistent with the August 2000 CALFED Record of Decision. If funding continues to deviate from ROD-stipulated levels, milestones and associated target thresholds will need to be revised commensurate with funding realities.
- **Ongoing Technical Work.** Language has been added to the Staff Proposal emphasizing the need for CALFED agencies to continue making consistent and meaningful progress in articulating, confirming and revising WUE-specific milestones (referred to as Quantifiable Objectives in the attached proposal).

Stakeholders offered a handful of other comments and suggestions. CALFED staff has considered these recommendations, but opted not to revise the Staff Proposal at this time. Below is a brief summary of these additional comments and CALFED's accompanying rationale for not making further revisions to the attached proposal.

- **Science Program.** Several Subcommittee members emphasized the need for the WUE Program to put in place an effective science effort capable of providing timely and comprehensive monitoring, assessments and revisions to the initiative's technical underpinnings. Staff agrees that such an effort is essential and believes the Staff Proposal effectively emphasizes the importance of sound science. Staff further recommends working with the Subcommittee on an ongoing basis to ensure such efforts are appropriately funded and implemented.

- **Comparative Analysis of Ag/Urban Approaches.** Several WUE Subcommittee members recommended that staff develop a comparative analysis of the proposed agricultural milestones and urban certification approaches. Staff agrees that such an analysis is important, but recommends that it be handled as an ongoing task – and not included as part of the Ag WUE milestones approach.

Based on discussions to-date, staff believes it is putting forward an approach that is balanced, credible and consistent with WUE objectives and goals.

Attachments

5/29/02 e-mail from Mike Day, Provost & Pritchard Engineering Group

-----E-Mail Message-----

From: Mike Day [<mailto:mday@ppeng.com>]

Sent: Wednesday, May 29, 2002 11:49 AM

To: Reynolds, Dean

Subject: CALFED Agricultural Water Use Efficiency Performance Milestones - Public Comments

Dear Mr. Reynolds,

My name is Michael J. Day. I am a registered Civil Engineer employed by Provost & Pritchard Engineering Group, Inc. (P&P). I have 20 years of experience consulting with farms and agricultural water agencies in California's Central Valley on various areas of water and energy resources, including water use efficiency. I presently manage P&P's Bakersfield office.

On May 22, 2002, I had the opportunity to attend the Agricultural Water Use Efficiency Performance Milestones Workshop at the Kern County Water Agency office. I would like to submit the following as a public comment.

I appreciate the efforts of CALFED's staff and consultants to grapple with the difficult issues surrounding agricultural water use efficiency, and its role in solving Bay-Delta issues. It is obvious that a great deal of time and expertise by very capable people is being applied to develop appropriate Quantifiable Objectives and Performance Milestones for this component of the CALFED program.

To echo the comments of others from Kern County at the workshop, I hope that all parties involved in the CALFED process continue to realize that in many cases there is not a direct connection between agricultural water use efficiency in the Central Valley and reductions in exports from the Delta. Further investments in agricultural water use efficiency in the Central Valley can produce a multitude of benefits, and is a worthy cause. But, expectations for reductions in Delta exports from agricultural water use efficiency efforts must be realistic and like the rest of the CALFED process, be based upon sound science. For example, Kern County agriculture is already short of meeting existing demands in most years, is operating in an overdrafted groundwater basin, and does not discharge to the Delta. Therefore, water conserved in Kern County will likely go to meet existing undersupplied demands or overdraft correction before resulting in a direct reduction in Delta exports. In the long term, however, water conservation in Kern County may reduce future demands for diversions from the Delta.

I would also like to take this opportunity to point out that as of this date, the CALFED Agricultural Water Use Efficiency Program is moving forward as an unfunded mandate. It has been frustrating to watch this year's Prop. 13 Water Use Efficiency (WUE) funding process move forward with funding for Urban Water Use Efficiency, but not for agriculture. Without funding sources, the Ag Water Use Efficiency Program is destined for failure. It is that simple. Agricultural interests will continue to invest their own dollars in water use efficiency projects and programs that are locally cost effective (as they have been doing for many years). But, many projects and programs that can conserve water are not locally cost effective, and will remain unfunded and not done. Please carry this message to CALFED decision

makers: CALFED is based upon all the principle that all three major interests (Ag/Urban/Environment) will get better together. In this case (WUE funding), Ag is getting the short end of the stick!

Thank you for the opportunity to comment.

Michael J. Day, RCE CA 39494
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1801 21st Street, Suite 6
Bakerfield, CA 93312
phone (661) 327-1985
fax (661) 327-1993
e-mail: MDay@ppeng.com

Memorandum

Date: September 6, 2002

To: California Bay-Delta Public Advisory Committee

From: Martha Guzman and Leslie Lohse
Co-Chairs of the Environmental Justice Subcommittee

Subject: Agenda Item 6: Environmental Justice Subcommittee Recommendation – *(Action: Recommend the CALFED Policy Group Adopt the Environmental Justice Workplan and Budget)*

Summary

Since January the CALFED Environmental Justice Subcommittee has held monthly meetings to develop the attached workplan. For most of the meetings, CALFED program managers were asked to present their program and how Environmental Justice is or could be integrated into their program. Each meeting included a dialogue between the subcommittee members and the program staff to further develop potential ideas. The Environmental Justice Workplan and Budget outlines a set of activities that CALFED can undertake to ensure that Environmental Justice becomes an integrated part of the overall Program.

Background

See Attached.

Requested Action

The Committee recommends the CALFED Policy Group adopt the Environmental Justice Subcommittee Workplan and Budget.

Attachments

Environmental Justice Subcommittee Workplan and Budget
Environmental Justice and the CALFED Bay-Delta Program

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

**Environmental Justice Subcommittee (EJ Subcom)
2002-2003 Workplan and Budget**

EJ Subcom Goals, Objectives, and Strategies	Timeline	Lead agency/staffperson
Goal: Ensure Implementation Principle for Environmental Justice is integrated and met by all program elements		
Objectives		
<i>1. EJ Subcom, CALFED program staff, and BDPAC Subcommittees develop program-wide environmental justice goals, objectives, strategies, and performance measures (i.e. implementation of EJ Workplan) and integrate them into program workplans.</i>		
Strategies		
1a. Hire an Environmental Justice Coordinator for CALFED.	July 2002 to Dec 2003	<ul style="list-style-type: none"> • EJ Coordinator to be identified
1b. Convene EJ Subcommittee as the main CALFED body to develop and integrate environmental justice goals, objectives, strategies and performance measures across CALFED's programs. ¹	Dec 2001, convene Subcom every month through Dec 2003, with 4 regional meetings	<ul style="list-style-type: none"> • EJ Coordinator • Administrative support, including Kate Hansel for budgeting, Eugenia Laychak for BDPAC coordination, CALFED admin staff for meeting logistics and additional support • Meeting facilitation • Travel (for staff and support), materials, facility fee, interpreters, etc for regional meetings.
1c. For each meeting of the EJ Subcom, ensure participation of at least 1 CALFED program manager and appropriate Subcommittee chairs when appropriate, based on agenda	May-Aug 2002	<ul style="list-style-type: none"> • EJ Coordinator • Wendy Halverson-Martin (notification to each program manager and Subcommittee Co-chairs)
1d. EJ Subcommittee and CALFED Programs draft goals, objectives, strategies, and performance measures for integration of environmental justice into CALFED program elements workplans with technical assistance from EJ reps on each Subcommittee, EJ Coordinator, and/or EJ Subcommittee.	May-Dec 2002	<ul style="list-style-type: none"> • Program managers • Subcommittee Co-chairs and members • Technical assistance provided by EJ reps for each Subcommittee, EJ Coordinator, and/or EJ Subcommittee
1e. EJ Subcommittee review and public comment on draft environmental justice goals, objectives, strategies, and performance measures for each CALFED program	Dec 2002 – March 2003	<ul style="list-style-type: none"> • EJ Coordinator • Admin support (for meeting and distribution/collection of comments) • Meeting facilitation/program planning
1f. Submission and approval by BDPAC and Policy Group	March 2003	<ul style="list-style-type: none"> • EJ Coordinator • Eugenia Laychak
Objectives		
<i>2. Develop annual EJ workplan. The EJ Subcommittee (and EJ Coordinator) to assist programs with implementation of program-wide goals, objectives, strategies, and performance measures</i>		

¹ Coordinate with Objective 5d

**Environmental Justice Subcommittee (EJ Subcom)
2002-2003 Workplan and Budget**

EJ Subcom Goals, Objectives, and Strategies	Timeline	Lead agency/staffperson
Strategies		
2a. Convene EJ Subcommittee to review previous year's annual plan, evaluate its effectiveness using performance measures, and develop a revised annual plan and budget consistent with program-wide goals and objectives	January each year, starting 2003	<ul style="list-style-type: none"> • EJ Coordinator • Admin support • Kate Hansel (budget) • Eugenia Laychak (BDPAC/Policy Group liaison)
2b. EJ Subcommittee review and public comment on draft annual plan and budget. ²	Feb-August 2002	<ul style="list-style-type: none"> • EJ Coordinator • Admin support
2c. Integrate annual plan goals and objectives into program workplans during program subcommittee meetings	June - August 2002	<ul style="list-style-type: none"> • EJ Coordinator • Program managers • Subcommittee Co-chairs • Technical assistance by EJ reps for each Subcommittee, EJ Coordinator, and/or EJ Subcommittee
2d. Submission and approval by BDPAC and Policy Group	Sept 2002	<ul style="list-style-type: none"> • EJ Coordinator • Eugenia Laychak
Objectives		
3. Ensure meaningful and substantive participation of community-based organizations and environmental justice groups in CALFED program planning, program implementation, and decision-making, including BDPAC Subcommittee and regional workgroups.		
Strategies		
3a. Equitable representation of environmental justice on BDPAC Subcommittees	April-June 2002	<ul style="list-style-type: none"> • EJ Coordinator • Eugenia Laychak • Subcommittee Co-chairs
3b. Ensure at least one EJ representative on each BDPAC Subcommittee	Dec 2002	<ul style="list-style-type: none"> • Program managers • Subcommittee Co-chairs • Eugenia Laychak
3c. Ensure equitable representation of EJ on each regional CALFED body	Dec 2002	<ul style="list-style-type: none"> • EJ Coordinator • Regional Coordinators (note: dependant on implementation of regional bodies)
3d. Develop regional outreach and community participation workplan and strategies for Stage 1 actions	June-Dec 2002	<ul style="list-style-type: none"> • EJ Coordinator • Regional Coordinators (note: dependant on implementation of regional bodies)
Objectives		
4. Develop and implement a CALFED program-wide environmental justice education and technical assistance program		
Strategies		
4a. Develop and present a basic presentation and overview of existing environmental justice commitments and	Sept- Dec 2002	<ul style="list-style-type: none"> • EJ Coordinator • EJ Subcommittee

² Annual Plan should include cross-cutting program (i.e. community participation, PSP's, training, environmental review/documentation, etc.) and program-specific elements as well as an accompanying budget.

**Environmental Justice Subcommittee (EJ Subcom)
2002-2003 Workplan and Budget**

EJ Subcom Goals, Objectives, and Strategies	Timeline	Lead agency/staffperson
resources for CALFED agencies and staff at BDPAC and program meetings		
4b. Devise and conduct needs assessment of CALFED agencies and staff to ascertain environmental justice training and technical assistance	June – Sept 2002	<ul style="list-style-type: none"> • EJ Coordinator • USEPA Region IX • OPR
4c. Using results of needs assessment, develop and implement a tailored training program to provide needed education and technical assistance to CALFED programs and staff	Sept-Dec 2002	<ul style="list-style-type: none"> • EJ Coordinator • USEPA Region IX
Objectives		
5. Develop tools and capacity of CALFED agencies and staff to identify, avoid/mitigate, and evaluate environmental justice issues		
Strategies		
5a. Identify/acquire source of demographic, environmental, land use, water, and other related information by watershed within CALFED's solution area	May-Dec 2002	<ul style="list-style-type: none"> • EJ Coordinator • Science Program • USEPA or other CALFED agency • Resources Agency (CA Legacy Project)
5b. Using demographic methods and GIS, identify low-income populations, communities of color, Tribes or others potentially impacted by CALFED's Stage 1 actions (for outreach and impact assessment purposes)	July 2002 – on-going	<ul style="list-style-type: none"> • EJ Coordinator • Science Program • USEPA or other CALFED agency • Resources Agency (CA Legacy Project)
5c. Develop an environmental justice impact assessment methodology and guidance for CALFED programs for CEQA, NEPA, and Title VI compliance	On-going	<ul style="list-style-type: none"> • Science Program • USEPA or other CALFED agency • USEPA or CALEPA or other agency or department
5d. Train CALFED agencies and staff to use environmental justice impact assessment tools for all Stage 1 actions requiring environmental review	On-going	<ul style="list-style-type: none"> • EJ Coordinator • CALFED Environmental Compliance Section • Science Program
5e. Develop program-wide performance measures in consultation with EJ Subcommittee to evaluate CALFED's effectiveness in addressing environmental justice each year	Annually	<ul style="list-style-type: none"> • EJ Coordinator • Science Program
Objectives		
6. Address priority environmental justice issues in each CALFED program (identify priority issues using notes from regional EJ workshops)		
Strategies		
6a. Designate an environmental justice liaison for each CALFED agency	May-Sept 2002	<ul style="list-style-type: none"> • EJ Coordinator • OPR • CALEPA
6b. Develop specific criteria, guidelines, community	Next PSP	<ul style="list-style-type: none"> • Each program manager, esp. Watershed, Water Use Efficiency, Water Quality, and

**Environmental Justice Subcommittee (EJ Subcom)
2002-2003 Workplan and Budget**

EJ Subcom Goals, Objectives, and Strategies	Timeline	Lead agency/staffperson
partnership requirements, and outreach process for program PSP's that address existing and emerging environmental justice issues faced by low-income populations and communities of color in CALFED's solution area. Identify within scope of work and budget activities to address environmental justice objectives of the project.	development process for each program	<ul style="list-style-type: none"> • Ecosystem Restoration • EJ Coordinator • EJ Subcommittee
6c. Develop program to address fish contamination and consumption in CALFED's solution area	May-Aug 2002	<ul style="list-style-type: none"> • Ecosystem Restoration Program manager • EJ Coordinator
6d. Develop program to address the potential adverse impacts of land retirement on low-income populations and communities of color in CALFED's solution area	May-Dec 2002	<ul style="list-style-type: none"> • Ecosystem Restoration Program manager • EJ Coordinator
6e. Develop program to address the potential adverse impacts of water transfers on low-income populations and communities of color in CALFED's solution area	May-Dec 2002	<ul style="list-style-type: none"> • Water Transfers Program manager • EJ Coordinator
6f. Develop program to address the basic water infrastructure needs of low-income populations and communities of color in CALFED's solution area	May-Dec 2002	<ul style="list-style-type: none"> • Water Management Program manager • EJ Coordinator
6g. Develop program to address existing adverse water quality problems affecting low-income populations and communities of color in CALFED's solution area	May-Dec 2002	<ul style="list-style-type: none"> • Drinking Water Quality Program • EJ Coordinator
6h. Identify additional existing and emerging environmental justice issues through community outreach and workshops related to EJ Subcommittee, regional task forces, and project-specific environmental review	On-going	<ul style="list-style-type: none"> • EJ Coordinator
6i. Provide resources for participation in Program activities.	On-going	<ul style="list-style-type: none"> • EJ Coordinator
6j. Address issue of contract funding on reimbursable basis.	Nov. 02 – Dec. 03	<ul style="list-style-type: none"> • Resources Agency • EJ Coordinator
6k. Availability of technical assistance in development of responses to PSP's.	On-going	<ul style="list-style-type: none"> • Science Program • Each CALFED Program and Agency
6l. Develop recommendations for criteria to track funding and actions related to environmental justice in Program activities.	On-going	<ul style="list-style-type: none"> • EJ Coordinator • Science Program

Environmental Justice and the CALFED Bay-Delta Program
DRAFT – August 14, 2002

You might ask, “What is environmental justice?” The term was forged out of people and communities seeking environmental protection from disproportionate risks from environmental hazards affecting peoples’ quality of life. Environmental justice means that all people, regardless of race, culture, national origin, or income, are able to enjoy equal environmental protection.

The U.S. Environmental Protection Agency defines environmental justice as:

“The fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Fair treatment means that no group of people, including racial, ethnic, or socioeconomic group should bear a disproportionate share of the negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, state, local, and tribal programs and policies.”

Everyone is entitled to high levels of protection from environmental hazards, and should be able to enjoy the benefits of healthy and safe environment in which to live, work, play and learn. Historically, groups such as the poor, communities of color, and inner-city inhabitants, have been excluded from the setting of environmental policy. Without a voice in the decision-making process, these communities may experience low levels of enforcement of environmental regulations and requirements. As a result, these communities may bear a disproportionate impact from one or more environmental hazards. Environmental justice attempts to address inequities of environmental protection in communities.

Environmental justice means:

- That for all communities, everyone is able to live healthier lives as well as enjoy the benefits of a clean and safe environment
- Diversification of the decision-making process by calling for involvement of all people and communities;
- Encouragement of a more equitable distribution of economic benefits;
- Encouragement of communities themselves to take action towards improving their environment;
- Increases awareness, understanding and effective cooperation within and among communities;
- The right of all people to equal treatment under the laws and regulations of the United States.

The CALFED Program and its participating agencies are committed to seeking fair treatment of people of all races, cultures, and incomes, such that all segments of the population shall enjoy the benefits of the CALFED Program activities, and none shall bear a disproportionately high or adverse health, environmental, social or economic

impact resulting from CALFED programs, policies, or actions. The CALFED Program's Solution Principles relate directly to the principles of environmental justice: reduce conflicts in the system, be equitable, be affordable, be durable, be implementable and have no significant redirected impacts.

The CALFED Program held environmental justice training in cooperation with the US EPA to advance the understanding of environmental justice. Working in cooperation with the Environmental Justice Coalition for Water, CALFED held a series of regional workshops, geographically dispersed across the state, to hold discussions and gain input on environmental justice issues related to Program actions.

In December, 2001, the Bay-Delta Public Advisory Committee convened the Environmental Justice Subcommittee as a formal advisory subcommittee to work to achieve the goal of integration of environmental justice into all CALFED Program elements.

An Environmental Justice Workplan has been developed that outlines a two-tiered approach to addressing EJ within the Program. The first tier outlines a long-term planning process that will:

- Develop environmental justice goals and objectives;
- Establish an overall environmental justice strategy for the Program to achieve the goals and objectives;
- Develop annual plans to implement the strategy;
- **Assist in compliance with all relevant federal and state orders and statutes.**

The second tier addresses short-term goals to be addressed while long-term strategies are developed. These goals include:

- Effective strategies for public participation (including workshops and workgroups);
- Inclusion of environmental justice criteria in all upcoming project solicitation proposals;
- Adequate consideration of social and economic impacts in environmental documentation;
- Environmental justice training and education for agency and program staff;
- Collection and analysis of new demographic information and data, **focusing on CALFED site-specific programs or activities that are developing environmental documents that tier of the Programmatic EIS/EIR;**
- Adequate staffing and financial resources (including capacity building);
- Compliance with all relevant federal and state orders and statutes.

Any public or private party with an interest in environmental justice, or would like information on the Environmental Justice Subcommittee or environmental justice within the CALFED Program, can visit our web site at <http://calfed.ca.gov> or to sign up for general program information by mail, call (916) 657-2666.

Memorandum

Date: September 9, 2002

To: California Bay-Delta Public Advisory Committee

From: Patrick Wright, Director

Subject: Agenda Item 9: CALFED Bay-Delta Program 2002-2003 Issues and Priorities Review
Year 3 Work Plan and Water Operations – (*Action: Information/Discussion*)

Summary

The Committee will be briefed on the 2003 Water Operations planning process and the draft CALFED Year 3 work plan which includes primary tasks and issues. The work plan briefing will also review the major accomplishments for Year 2.

No action is being requested at this meeting, however, Committee comments will be considered in preparing the final work plan, and this discussion will provide background for the Committee's recommendation at its December 4, 2002, meeting on overall Program progress and balance.

Background

One of the Committee's priorities is water operations. The CALFED agencies are preparing the 2003 Water Operations Plan, and Curtis Creel (Department of Water Resources) and Chet Bowling (U.S. Bureau of Reclamation) will review with you the 2002 operations, the 2003 schedule, milestones, issues, and public involvement opportunities during development of the Plan.

Another Committee responsibility is making an annual recommendation on overall CALFED Bay-Delta Program progress and balance. The attached Year 3 draft work plan summary identifies major 2002 Program accomplishments, major milestones, significant linkages between Program elements, primary work tasks, issues and delays for individual Program elements and the overall Program. When reviewing the materials, we suggest you consider the Program as a whole and how the proposed primary work tasks and issues affect all of the interests represented on the Committee.

Action Requested

Information and Discussion item. Committee comments will be considered in preparing the final Year 3 work plan.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

CALFED Bay-Delta Program
Year 3 Work Plan Summary
9/10/02

Milestones and Linkages. In developing the Year 3 work plan many ROD milestones and linkages between program elements were considered. Consideration of these milestones and linkages will help determine if the Program is proceeding in a balanced manner. Several of the most significant milestones include:

Year 4

- Evaluate and determine the future of the EWA
- Renegotiate regulatory commitments
- Evaluate accomplishments of WUE
- Evaluate water quality improvements related to through Delta conveyance
- Evaluate status of 5 surface storage projects

Year 7

- Begin construction of new surface storage
- Evaluate fishery and water quality improvements relative to the success of through Delta conveyance
- Increase SWP Delta pumping to 10,300 cfs

Several of the most significant linkages include:

Storage/Water Use Efficiency: Construction of new storage will be dependent to a large degree on a successful WUE program. Regulatory permits for new surface storage must be able to identify a “purpose and need” which will consider the successful implementation of CALFED’s WUE program, and balanced implementation of the Program overall.

ERP & EWA/Regulatory Commitments: Regulatory commitments issued at the time of the ROD are dependent on a functional EWA and funding of ERP at \$150,000 per year.

ERP/Conveyance: Successful through Delta conveyance, as determined at the end of Stage 1, will be linked to recovery of listed fish populations in the Delta.

Drinking Water Quality/Conveyance: Successful through Delta conveyance, as determined at the end of Stage 1, is linked to achieving DWQ bromide and TOC targets in the Delta.

Science/4 Program Objectives: The science program plays a key role in providing the best available technical knowledge for use in implementation decision making and for assessing the progress of the program. Each program element includes scientific activities specific to that part of the program, the science program links them together.

Conveyance/Water Supply Reliability: Increased SWP Delta pumping is linked to construction of permanent barriers in the Delta. Increased SWP Delta pumping to 10,300 is linked to construction of new screens at Clifton Court Forebay, which in turn is dependent on new information, including possible results from the Tracy Fish Test Facility.

Program-wide Issues and Delays. Several issues have widely affected the accomplishments of the program elements. These include:

Lack of funding: The state budget crisis and limited federal funding continue to affect implementation of the Program. In some program areas bond funds are available, but are limited in what they can be used for. In addition, the state hiring freeze has impacted program implementation staff.

Staffing: All programs are experiencing staff shortages, and many are struggling to continue administration of existing programs and activities.

Contracting: CALFED is dependent on DWR, The Resources Agency, and USBR to execute the majority of its contracts. These agencies have lacked the capacity, resources and/or authority to execute contracts for the CALFED Program in a timely manner. The state hiring freeze is further impacting the administrative work force.

Category A vs. B: There has been concern expressed by some agencies as to the appropriate level of coordination or integration for various new or ongoing programs and their associated funds, to achieve CALFED Program objectives. Generally, Category A funds directly contribute to achieving the CALFED objectives, and Category B funds contribute indirectly to the CALFED objectives.

Lack of Federal Authority: Since 2000, federal agencies have had to rely on existing authorities to implement CALFED Program actions. For example, USBR does not have sufficient authority for all program elements. As a result, some parts of the Program have been delayed.

Storage

Year 2 Assessment

Primary Accomplishments

- Conjunctive Water Management: Awarded 39 groundwater storage grants and loans totaling more than \$107 million under Proposition 13 and AB 303
- North of Delta: Filed NOP/NOI and completed public scoping
- In Delta: Completed In-Delta Storage Draft Summary Report, including analysis of alternatives
- Los Vaqueros: Completed Draft Concept Report for Los Vaqueros expansion

Issues/Delays

- Conjunctive Water Management: Limited funding to support grant administration and to provide technical support to local partnerships
- Shasta Lake: McCloud River wild and scenic designation precludes some agency participation in feasibility investigations
- In-Delta, Los Vaqueros, North of Delta and Upper San Joaquin: Inadequate funding and lack of federal feasibility study authority

Year 3 Work Plan

Primary Tasks

- Conjunctive Water Management: Award \$92 million in grants and loans under Proposition 13 and AB 303, track performance of prior year projects and support local partnerships
- North of Delta: Engineering feasibility study (state), CALSIM modeling, develop alternatives and incorporate into formal environmental documentation
- In Delta: Feasibility study (state) of re-engineered In-Delta Storage Project
- Los Vaqueros: Secure CCWD Board of Directors approval and schedule for local vote in November 2003
- Shasta Lake: Develop alternatives and complete assessment of impacts to McCloud River
- Upper San Joaquin: Complete appraisal level summary report, including evaluation of storage options

Issues/Delays

- Inadequate state and federal funding and lack of federal feasibility study authority
- Issues associated with Category A and B funds need to be resolved

Stage 1

- November 2003 – CCWD vote on Los Vaqueros Expansion

Adjustments/Changes from the ROD

- 2005 - Complete preliminary evaluation of 5 surface storage projects to determine which projects should proceed. Delayed one year.
- Groundwater Local Cost Share: ROD assumed 50% cost share. Actual cost share varies depending on project type and stage 0-100%.
- Changed Surface Storage Costs: Planning costs lower for NOD, In Delta and USJRSI (-\$66 million), construction costs higher for NOD and LVE (+\$314 million).

Issues/Concerns

It is still uncertain who will pay for final design and construction cost associated with new surface storage. The Water Management Strategy and Finance Plan which will help address these issues have been delayed due to lack of funding.

Conveyance

Year 2 Assessment

Primary Accomplishments

- Permanent Barriers/Increasing SWP Delta export to 8500 cfs: Completed draft 404(b)(1) analysis, continued work on EIR/S
- Initiated agency/stakeholder forum to address issues associated with increased SWP Delta pumping
- Initiated a North Delta regional hydraulic model
- Initiated feasibility studies for Veale/Byron Tract Drainage Reduction
- Developed project scope and work plan for San Luis Low Point
- Conducted research and monitoring related to fish movement and water quality at the Delta Cross Channel and to support through Delta conveyance

Issues/Delays

- TFTF funding and design delays
- Screening the intake to Clifton Court Forebay and increased SWP Delta pumping to 10,300 cfs delayed
- Due to expansion of scope, feasibility study and EIR/S for San Luis Low Point is delayed
- EIR/S for North Delta Flood Protection and Ecosystem Restoration delayed because of lack of federal partner

Year 3 Work Plan

Primary Tasks

- Permanent Barriers/Increasing SWP Delta export to 8500 cfs: Conduct public scoping and release draft EIR/S
- Develop operating rules for 8500 cfs and permanent barriers
- Continue Draft EIR/S for North Delta Project and conduct public scoping meetings
- Complete EA/IS on CVP/SWP intertie
- Develop concept projects and work plan for Lower San Joaquin Flood Control
- Complete EA/IS and operational study for San Luis Bypass
- Identify alternatives for Veale/Byron Tract Drainage Reduction
- Continue to define linkages and key science questions for major Delta activities and the through Delta conveyance approach

Issues/Delays

- Lack of state and federal funding is affecting schedules and ROD milestones
- Lack of clear linkage between TFTF, Clifton Court Forebay Screens and increased Delta pumping
- Contracting issues may delay recommendations on Delta Cross Channel operations and the Through Delta Facility at least one year

Stage 1

Adjustments/Changes from ROD

- Installation of permanent operable barriers and increased SWP Delta pumping to 8500 cfs delayed 1 year
- Construction of Clifton Court Forebay fish screens and increased Delta pumping delayed because of uncertainties related to design, benefits and cost, lack of funding and delays at TFTF
- Most Conveyance ROD commitments have been adversely affected as a result of lack of funding

Water Transfers

Year 2 Assessment

Primary Accomplishments

- Assisted in the transfer of water. 600,000 af in 2001 a dry year and 300,000 af in 2002 a dry/below normal year
- Continued operation of ON TAP website and developed a DWR water transfers web page
- Developed MOU for Water Transfers Information Clearing House
- Published white papers on transfers involving groundwater substitution, crop shifting and short-term fallowing
- In coordination with the Bay-Delta Modeling Forum, developed and implemented an approach for real time transfer carriage water requirements

Issues/Delays

- Contracting issues have delayed the refinement and development of the ON TAP website into year 3
- Delays in the EWP have delayed development of instream water tracking protocols for use in conjunction with the EWP

Year 3 Work Plan

Primary Tasks

- Evaluate opportunities to increase the availability of existing facilities for transfers through better definition of Delta conveyance capacity
- Evaluate the need for a CVP/SWP shared place of use and the possible direct use of SWP allocations for EWA
- Lower transfer transaction costs through permit streamlining and improved contracting
- Identify standard mitigation measures to address socioeconomic impacts
- Assist in the review of proposed water transfers
- Increase availability of information through continued operation of ON TAP website and the development of Water Transfer Clearinghouse

Stage 1

All ROD deadlines have been met

Water Use Efficiency

Year 2 Assessment

Primary Accomplishments

- WUE Subcommittee for BDPAC
- Agricultural Grants – 8 projects, \$1.3 million. Additional 2000 grants totaling more than \$3.5 million through NRCS EQIP program
- Urban Grants – 29 grants, \$9 million projected to conserve 171,000 acre feet of water
- Recycling Grants and Loans – 6 loans for \$72 million, 24 grants for almost \$70 million. These projects will provide an increase of 36,000 acre feet/year.
- Drafted Urban Water Conservation Certification framework
- Executed cooperative agreements between DWR, CALFED, Ag Water Management Council and CA Urban Water Management Council to facilitate locally cost effective and locally funded WUE projects

Issues/Delays

- Contracting delays
- Little interest in Ag conservation loans
- Lack of resources to define WUE performance measures and monitor local WUE projects are affecting the Program's ability to evaluate the overall effectiveness of WUE actions

Year 3 Work Plan

Primary Tasks

- Recycling and urban conservation grants and recycling loans
- Continue development of WUE performance measures
- Continue development of ag water measurement and initiate development of appropriate measurement of urban water use
- Refine Urban Water Conservation Certification framework
- Review and refine quantifiable objectives

Issues/Delays

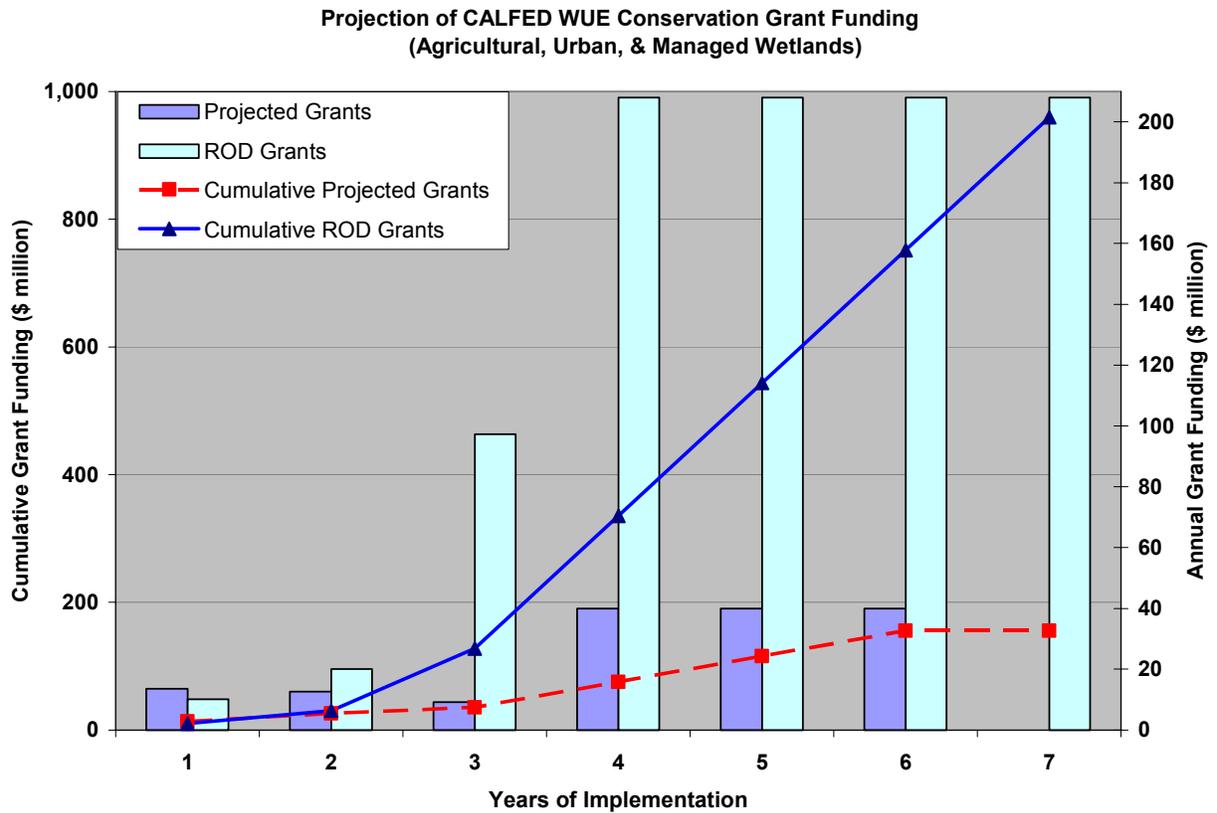
- Lack of significant WUE grant funding
- Water Recycling: Accounting of Category A Grants and Loans
- Proposed change of USDA's EQIP from Category B to A

Stage 1

Issues/Concerns

An aggressive WUE program is linked to construction of new surface storage. Lack of significant grant funding and overall progress on WUE may affect the ability of new surface storage projects to be built.

Stage 1



Issues/Concerns

- Extension of WUE program to 9 years because of lack of funding
-Implications to Storage program

Ecosystem Restoration

Year 2 Assessment

Primary Accomplishments

- Completed the ERP Draft Stage 1 Implementation Plan and funded 12 planning projects, \$6.3 million based on the Plan
- Funded 25 research projects, \$17.7 million to address critical uncertainties in the ERP Strategic Plan
- Funded 23 ecosystem restoration projects, \$38.4 million
- Completed the Guide to Regulatory Compliance for Implementing CALFED Actions
- Continued work on many ongoing activities including the Environmental Water Program, Yuba River Studies Program, Stockton DO Directed Action
- See Attachment 1 for additional ERP accomplishments

Issues/Delays

- Delays in implementing many ERP activities due to contracting
- Preparation of Delta-wide ERP plan delayed
- Development and implementation of Single Blueprint delayed because of administrative and staff constraints

Year 3 Work Plan

Primary Tasks

- Complete annual Single Blueprint for Restoration
- Select and fund directed actions from 2002 PSP process
- Increase regional planning and implementation activities
- Finalize Delta Regional ERP
- Continue ERP program evaluation
- Continue ERP Independent Science Board and Special Studies

Issues/Delays

- Due to funding and contracting issues, work on the Environmental Water Program, Upper Yuba River Studies Program and other ERP activities have been delayed
- Issues associated with adding Category A and B funds need to be resolved

Stage 1

Issues/Concerns

- Funding levels/state-federal. Program is being almost exclusively funded by state bond funds
- Prop 204 depleted in 2003 or 2004

Environmental Water Account

Year 2 Assessment

Primary Accomplishments

- Provided Delta fisheries protection and water supply reliability commitments
- Acquired 231 TAF of water plus 84 TAF from the prior year to cover 248 TAF of export reductions for increased fishery protection in the Delta and a carryover to next year of 67 TAF
- Acquired 100 TAF source shift agreement. No source shift was needed in Year 2
- Obtained 100 TAF year-to-year borrowing as a functional equivalent to south of Delta storage. No borrowing was needed in Year 2
- Initiated EIR/S process
- Completed first annual science review of EWA
- Significant multi-agency cooperation and institutional changes in dealing with regulatory and fish protection issues

Issues/Delays

- EIR/EIS delayed until 2003

Year 3 Work Plan

Primary Tasks

- Acquire water and power assets and maintain ESA water supply commitments by 5/03
- Integrate EWA into the 02/03 Operations Plan
- Complete EIR/EIS
- Conduct annual science review
- Make Tier 3 water assets operational

Issues/Delays

- Lack of staff and adequate funding
- Need to re-evaluate EWA assets needed to meet ROD commitments as a result of the recent b(2) court decision
- Need to define the EWA aspects of the design and funding of new groundwater and surface storage projects
- Need a closer linkage between EWA and the 02/03 Operations Plan

Stage 1

Issues/Concerns

- Status and funding availability of EWA after 4 years
- How EWA is affected by the increased pumping in the Delta to 8,500 cfs, OCAP, Phase 8 settlement process, long-term federal contract renewals and the associated biological opinions

Watersheds

Year 2 Assessment

Primary Accomplishments

- Executed contracts and initiated work on 34 of 54 projects totaling \$18.6 million funded in year 1
- Initiated a year 2 grant funding process
- Provided funding to support 17 local watershed coordinators
- Sponsored the first Watershed Partnership seminar to be held in California
- In conjunction with the BDPAC Watershed Subcommittee, held regional watershed meetings in Modesto, Los Angeles and Cache Creek

Issues/Delays

- Program funded at 50 percent of planned level
- Available bond funds have geographic and scope limitations on use
- Delays in contracting have delayed project implementation
- Lack of USBR authority to implement the watershed program has impacted staff, technical assistance, watershed science, performance measure development, education and outreach.

Year 3 Work Plan

Primary Tasks

- Develop watershed implementation plan
- Conduct a grant program and selection process
- Education and outreach to local communities through the BDPAC Watershed Subcommittee
- Continue refinement of a comprehensive set of performance measures

Issues/Delays

- Continued lack of state and federal funding and constraints on use of bond funds
- Lack of sufficient staff to manage, oversee and coordinate program activities
- Delays in contracting continue to delay project implementation
- Issues associated with Category A and B funds need to be resolved

Drinking Water Quality

Year 2 Assessment

Primary Accomplishments

- Completed DWQP grant selection process. 13 projects funded, \$6.7 million for source control, ag drainage and treatment technology
- Continued work on early implementation projects (BABE, RTM, Salinity/Selenium, Sources & Loads)
- Provided funding for feasibility studies for Veale/Byron Tract Drainage Reduction
- Established new Drinking Water Subcommittee for BDPAC

Issues/Delays

- Lack of funding, contracting

Year 3 Work Plan

Primary Tasks

- Work to build capacity in lead agencies to assume implementation role
- Complete drinking water quality strategic plan through the DWQ Subcommittee
- Conduct a grant solicitation and selection process
- Implement a monitoring and data assessment program and continue work on development of quantifiable performance measures
- Develop a strategy for meeting south Delta water quality standards
- Complete Phase 2 of the Bay Area Water Quality and Water Supply Reliability Program (formerly known as BABE)

Issues/Delays

- Significant budget cuts have limited the scope of the DWQ Program. Bond funds are limited to specific areas of the Program
- Contracting delays have impacted the implementation and progress of DWQ projects
- Issues associated with Category A and B funds need to be resolved

Stage 1

Adjustments/Changes from ROD

- DWQ improvement in bromide and TOC levels in the Delta is linked to through Delta conveyance. Assessments in 2003 and 2007
- RWQCB development of a State Drinking Water Policy for the Delta and its upstream tributaries by December 2004

Issues/Concerns

- Drinking water/bromide assessments concern program-wide progress (not just DWQ), and represent critical milestones for CALFED

Levee System Integrity

Year 2 Assessment

Primary Accomplishments

- 62 agencies submitted \$31.5 million in requests to maintain and repair almost 700 miles of levees. The state provided \$4.5 million towards this effort
- Completed levee stability enhancement projects on 5.7 miles of Delta levees
- Work continues on 47 levee stability and habitat projects
- The Decker Island aquatic habitat enhancement project was opened to tidal flow
- Improved emergency response capabilities in the Delta through improved coordination and acquisition of flood fight materials
- The Delta Levees and Habitat Advisory Committee became a BDPAC Subcommittee

Issues/Delays

- Significant funding reductions have severely impacted the levee program
- Vacant Levee Program Manager position at CALFED
- No levees were improved to achieve PL 84-99 standards in the Delta

Year 3 Work Plan

Primary Tasks

- In conjunction with the Science Program, establish Program Performance Indicators
- Initiate Risk Assessment Study
- Continue projects funded from prior years
- Continue emergency response coordination, including MOU for mutual cooperation with California Department of Forestry
- Recruit and hire CALFED Levee Program Manager

Issues/Delays

- Significant funding reductions have resulted in major delays in all levee program areas
- Need to develop a reliable source of funding for Delta levee maintenance and improvement
- Need to prioritize available near-term funding sources that can be used to avoid levee failures

Stage 1

Issues/Delays

- Significant funding reductions have resulted in major delays in all levee program areas
- Delta levee infrastructure has an important linkage to all other CALFED objectives; ecosystem restoration, water quality and water supply reliability. Lack of progress in improving levee system integrity compromises all other areas of the CALFED Program

Science

Year 2 Assessment

Primary Accomplishments

- Assisted programs with technical and scientific peer review
- Facilitated the development of performance measures for each program element and for the Program as a whole
- Conducted 5 science issue workshops on salmon, delta smelt, data management, Suisun Marsh modeling and water operations
- Conducted the annual EWA science review
- Co-sponsored the State of the Estuary Conference
- Initiated a new online technical journal for research related to water and ecosystem management
- Continued development and support for the CALFED Science Consortium

Issues and Delays

- Delays in contracting severely impacted science program activities

Year 3 Work Plan

- Continue to advance the best science practices including workshops, peer review and expert panels
- Establish a program-wide science board
- Focus research, monitoring, and adaptive experiments around “signature projects”
- Continue to refine performance measures at the project, program, and landscape level
- Sponsor the CALFED Science Conference in 2003
- Promote scientific collaboration through the Science Consortium and on-line science journal

Issues and Delays

- Significant funding reductions in the science program have affected science program accomplishments
- Need to consolidate and compile all research and data for CALFED

Program Oversight and Coordination

Year 2 Assessment

Primary Accomplishments

- Continued refinement of a program-wide tracking system and preparation of draft tracking reports
- Coordination of state CALFED budget
- Legal representation on ROD and successful support for litigation
- Produced an award winning Annual Report and program video
- Initiated improved business practices in coordination with the Governor's Office for Innovation in Government
- Development of a state bill for long-term governance
- Creation of a new public advisory committee, BDPAC

Issues/Delays

- Water management strategy, finance plan, tribal coordination and environmental justice activities severely impacted by lack of funding
- Reductions in federal and state funding and the state hiring freeze have impacted the administration and business functions of the program

Year 3 Work Plan

Primary Tasks

- Prepare an annual report including Program balancing
- Transition from interim to long-term governance
- Expand regional coordination, identify coordinators for each region and continue development of regional goals, strategies and plans
- Continue to improve and streamline business practices
- Provide continued litigation support
- Increase activities for finance plan and water management strategy
- Implement actions in the Environmental Justice Work Plan
- Continue to refine Program tracking activities
- Continue development of the Working Landscapes Program
- In coordination with the federal agencies, develop a more inclusive cross-cut budget

Issues/Delays

- Reduction in federal funding for oversight and coordination
- No funding for tribal activities
- State budget reductions, position cuts and hiring freeze
- State and federal contracting delays

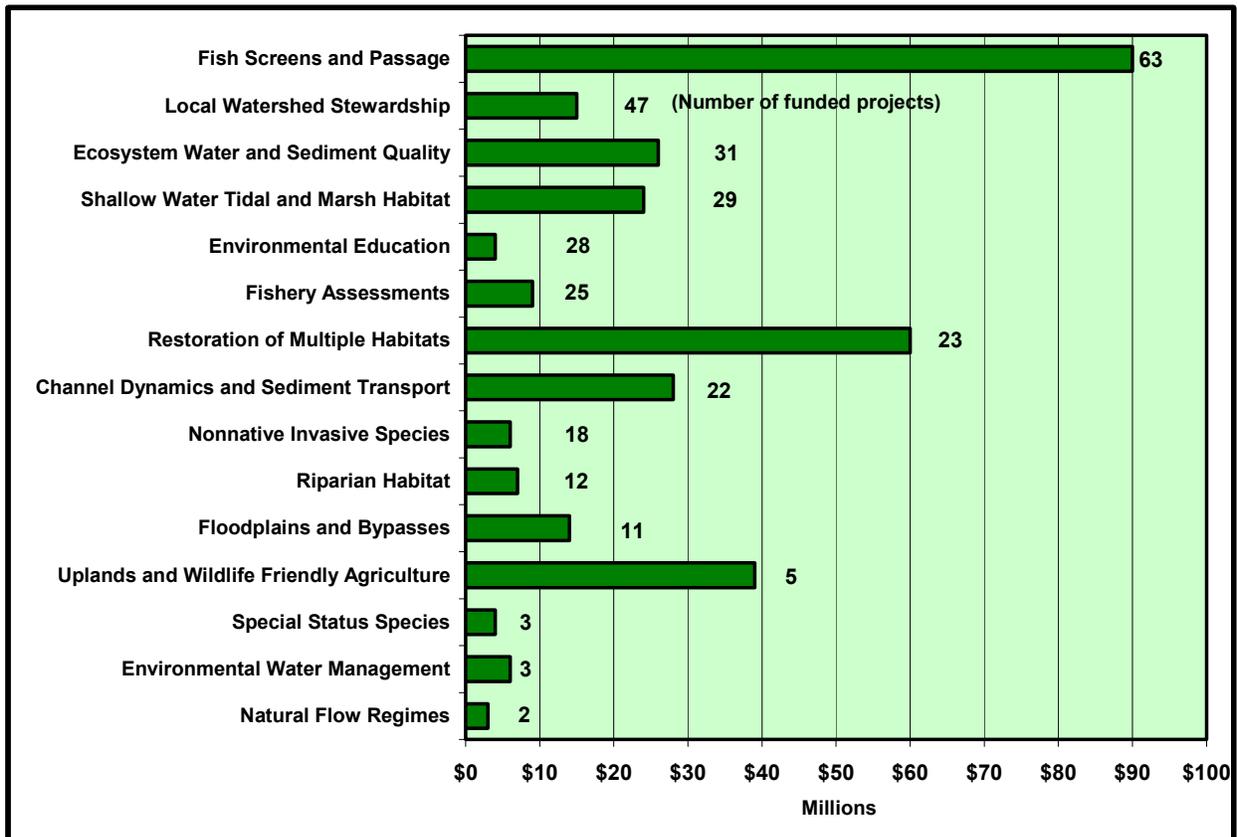
Attachment 1 - Additional Information on ERP Accomplishments

Types and number of restoration projects funded by the ERP through June, 2002
(Does not include projects from 2002 PSP)

<i>Type of Project</i>	Number of Projects	Percentage of Total	Total \$ (in millions)
Restoration of Multiple Habitats	23	7	60
Shallow Water Tidal and Marsh Habitat	29	9	24
Floodplains and Bypasses	11	3	14
Riparian Habitat	12	4	7
Channel Dynamics and Sediment Quality	22	7	28
Uplands and Wildlife Friendly Agriculture	5	2	39
Fish Screens and Passage	63	20	90
Fishery Assessments	25	8	9
Ecosystem Water and Sediment Quality	31	10	26
Environmental Water Management	3	1	6
Natural Flow Regimes	2	1	3
Nonnative Invasive Species	18	6	6
Special Status Species	3	1	4
Local Watershed Stewardship	47	14	15
Environmental Education	28	9	4
Total	322		\$335

- Through July 2001, ERP allocated \$335 million to 322 projects.
- Most fund allocations were for terrestrial and aquatic habitat protection and restoration activities, accounting for approximately \$172 million of the total allocations to date.
- The ERP also invested significant dollars (\$90 million) in improving fish passage (both upstream and downstream) through designing and constructing new fish screens and ladders, as well as removing several dams. Much of this activity targeted helping at-risk fish species, particularly salmonids.
- Approximately 60 percent of the ERP project investments were in the Sacramento River and Delta and East Side Tributaries ecosystem regions.
- The remaining projects are relatively evenly distributed among the three other CALFED regions (Bay, San Joaquin River, and Entire Bay-Delta Watershed).

Types and number of restoration projects funded by the ERP through June, 2002
(Does not include projects from 2002 PSP)



As a result of the “Look Back” exercises that took place during Year 2, the consultants identified several ERP accomplishments. Highlights of ERP funded accomplishments include:

- 58,300 acres of habitat proposed for protection, including 12,000 acres dedicated to wildlife friendly agriculture and 16,000 acres of floodplain¹;
- 39,000 acres of habitat proposed for restoration, including 9,500 acres of shallow water tidal and marsh habitat²;
- 63 miles of instream habitat proposed for protection and/or restoration;
- 93 miles of riparian corridor proposed for protection and/or restoration;
- 72 fish screens accounting for an additional 2,565 cfs of diversion capacity;
- 15 fish ladders and 10 dam removals to provide better upstream passage;
- 31 projects involving analysis of environmental water and sediment quality;
- 18 projects intended to specifically address nonnative invasive species; and
- 75 projects supporting local watershed stewardship and environmental education.

¹ Preliminary, subject to revision. Habitat Protection = Acres of land proposed for acquisition, either in fee title or easement, for the purposes of protecting habitat and/or restoring ecological processes. Proposed flood plain acquisitions are included.

² Preliminary, subject to revision. Habitat Restoration = Acres of habitat proposed for physical restoration. This category may represent a variety of habitat types, including shallow water tidal and marsh habitat, riparian habitat, and upland habitat. In some cases, these lands are the same land proposed for acquisition (or some portion thereof). In other cases restoration is proposed on private lands or lands already in public ownership where acquisitions are not required. Flood plain areas are not included in this category. Flood plain areas are treated separately from habitat restoration areas because they are not treated as a specific habitat type in the ERP, but rather are identified as critical components for restoring ecological processes.

**California Bay-Delta Public Advisory Committee
Draft Meeting Outcomes
June 26 and 27, 2002**

**June 26, 2002
Jean Harvie Community Center, Walnut Grove, California
1:00 pm – 5:30 pm**

The Delta Protection Commission and Department of Water Resources, in cooperation with California Bay-Delta Public Advisory Committee Members Marci Coglianesi, Tom Zuckerman and Christopher Cabaldon, sponsored Committee site visits of major water supply, ecosystem restoration, levee, and agricultural projects in the Sacramento-San Joaquin Delta. Members also received in-depth briefings on the CALFED Science Consortium, cultural history of the Delta, and the importance of Delta recreation to the local economy.

**June 27, 2002
The Point Waterfront Restaurant, Rio Vista, California
9:00 am - 3:00 pm**

Members in Attendance: Gary Bobker, Denny Bungarz, Christopher Cabaldon, Marci Coglianesi, Greg Gartrell, David Guy, Martha Guzman, Steve Hall, Gary Hunt, Robert Meacher, Jerry Meral, Barry Nelson, Dan Nelson, Tim Quinn, Frances Spivy-Weber, O.L. “Van” Tenny, Marguerite Young, Tom Zuckerman

1. Welcome and Introductions

Chair Gary Hunt thanked Ms. Cabaldon, Mayor Coglianesi, and Mr. Zuckerman for their efforts in hosting the meeting and tour. He acknowledged the presence of U.S. Bureau of Reclamation Regional Director Kirk Rodgers, Secretary for Resources Mary Nichols and CALFED Bay-Delta Program Director Patrick Wright. Ms. Nichols noted that she was at the meeting to receive advice from the Committee.

2. Chair’s Report

Action Items

- Chair Gary Hunt appointed Working Landscapes Subcommittee and co-chairs Ryan Brodrick and Denny Bungarz. CA Department of Food and Agriculture, Delta Protection Commission, and Department of Conservation will staff the subcommittee.
- Chair announced 2002 Meeting Schedule
 - September - Wednesday, Thursday, 18th & 19th, Los Angeles
 - December - Wednesday, 4th, Sacramento

3. CALFED Bay-Delta Program Director's Report

Patrick Wright announced the availability of the CALFED Bay-Delta Program Tracking Report, passage by the California Senate of SB 1653 (Costa), a bill to create the Bay-Delta Commission and institutionalize the Program, and Ecosystem Restoration, and Proposition 13 Groundwater and Water Conservation Grants and Loans project awards. He also noted that the Program is working with local interests to draft a Delta Implementation Plan.

Kirk Rodgers updated the Committee on Water Operations and announced that contractors south of the Delta would receive 65% of their allocation. Paul Fugitani (U.S. Bureau of Reclamation) and Curtis Creel (Department of Water Resources) provided details on how Environmental Water Account assets have been used and the planning for 2003 water operations.

Action Items

- Patrick Wright agreed that the Delta Implementation Plan would be available for review by the subcommittees.
- Patrick Wright announced that the 2003 Water Operations Plan would be developed by the end of 2002.
- Patrick Wright announced that stakeholder groups will help guide future tracking reports.

4. Lead Scientist's Report

Sam Luoma reported on the Science Program and summarized information in the meeting packet.

5. Finance and Budget Issues

Patrick Wright and Kate Hansel (CALFED Bay-Delta Program) briefed the Committee on short and long-term financing of the CALFED Bay-Delta Program. The Committee discussed financing in the context of two of its priorities: Federal Authorization and Water Bond (Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 – Proposition 50).

With respect to Federal Authorization, members discussed, with Mary Nichols, the need for California water stakeholders to educate Congress on the need for authorization, more funding for the Program, and the necessity of stakeholders to speak with one voice, if they want those two goals achieved.

Regarding the Water Bond, member Jerry Meral briefed the Committee on the status of the Bond initiative. Proposition 50 will be on the November 2002, election ballot, and Mr. Meral urged support for the Bond. The Proposition, if passed by voters, would provide \$955 million for Water Quality, \$825 million directly to the CALFED Bay-Delta Program, \$710 million for regional projects, and \$950 million for coastal protection. Chair Gary Hunt asked each of the members to discuss their reasons for support, or issues they had with the Bond. Several voiced strong support because this type of funding is needed to achieve the CALFED goals within the timeframe outlined in the Programmatic Record of Decision. Other members remained neutral and expressed concerns

with the land acquisition provisions. Others expressed no position at this time, mainly because their respective decision-making bodies had not established positions on the Bond.

Action Item

- The Committee reached consensus that additional state and federal financing of the CALFED Bay-Delta Program is needed. The Committee generally agreed that the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 would provide the State's share of funds for the CALFED Bay-Delta Program; however, several members expressed concerns about individual elements of the Act.

6. Delta Overview

Mr. Cabaldon, Mayor Coglianesse, and Mr. Zuckerman discussed water quality and levees issues in the Delta and how they affected the lives of the residents. With respect to levees, they stressed preventative maintenance, precautionary measures to deal with sea water intrusion, and other issues and preparations for emergencies.

7. Water Supply Subcommittee Recommendation

Subcommittee co-chairs Steve Hall and Jerry Meral, in coordination with Mark Cowin (Department of Water Resources), briefed the Committee on the In-Delta storage project and Subcommittee recommendation. Discussion not only focused on the details of the project, but, also on the need to assess the project and its beneficiaries in conjunction with other storage projects. Also, there was a call for effective mitigation for losses/conversion of agricultural land and addressing any environmental justice impacts. Removing agricultural land from production would cause socio-economic impacts in the region, and some of those impacts may be cumulative when considering other land conversion proposals. Another issue that arose was the budget for continuing project studies. Current Governor's and President's budgets do not include funds to continue studies. However, funds would be available if Congressional proposals and Proposition 50 were approved. Public comment focused on support for the Subcommittee recommendation and a need for an efficient process to ensure a decision on the project by July 2003.

Action Items

- Committee adopted the Subcommittee recommendation and recommended to CALFED Policy Group and agencies to proceed with implementing the 2002-2003 work plan, depending on availability of funds, with the goal of having enough technical information to decide whether to initiate negotiations with Delta Wetlands, Inc. for acquisition of property by July 2003.
- Chair Gary Hunt directed Subcommittee co-chairs Steve Hall and Jerry Meral to ensure socio-economic, agricultural conversion, and environmental justice issues are appropriately addressed during work plan implementation.
- Chair Gary Hunt asked that progress on major projects, including In-Delta Storage, be reviewed at the December 4, 2002, Committee meeting.

Memo

To: CALFED Bay Delta Public Advisory Committee
From: Ryan Brodrick and Denny Bungarz, Co-Chairs of the CALFED Working Landscapes Subcommittee
Date: September 13, 2002
Re: Working Landscapes Subcommittee Goals and Priorities

The CALFED Working Landscapes Subcommittee has met twice since it was formally established as a subcommittee of the BDPAC at the July 2002 meeting.

The participation from the stakeholders has been exceptional with over 40 people attending each meeting. The committee is finalizing the mission and vision statement and associated work plan. We expect to bring these for approval to the BDPAC at the December meeting. The subcommittee has, however, reached consensus on three broad goals and three high priority actions. The subcommittee recognizes the time sensitivity given the current effort to develop and approve the CALFED Program Year 3 work plans, and is therefore submitting these for consideration and possible adoption at this time.

Goals

1. Support locally based collaborative initiatives that provide opportunities for working landscapes to assist CALFED in meeting its program objectives.
2. Minimize and mitigate adverse CALFED project impacts on agricultural resources consistent with commitments in the Record of Decision.
3. Coordinate funding and outreach to support a working landscape approach to meeting CALFED program objectives.

High Priority Actions

1. Support development of an agricultural element in each CALFED regional implementation plan.
2. Develop strategies to implement CALFED ROD commitments as they relate to working landscapes.
3. Develop opportunities to leverage USDA Farm Bill funds to meet CALFED objectives.



CALFED
BAY-DELTA
PROGRAM

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<http://calfed.ca.gov>

Subcommittee meeting reports, summaries, and related materials are available on the CALFED Bay-Delta Program web site at <http://calfed.ca.gov>.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

August 22, 2002

Mr. Kirk Rodgers, Regional Director
Bureau of Reclamation
2800 Cottage Way
Sacramento, CA 95825

Ms. Celeste Cantu, Executive Director
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Mr. Tom Hannigan, Director
Department of Water Resources
1416 Ninth Street, Room 1115-9
Sacramento, CA 95814

Mr. Tom Gohring, Program Manager
CALFED Bay-Delta Program
1416 Ninth Street, Room 1155
Sacramento, CA 95814

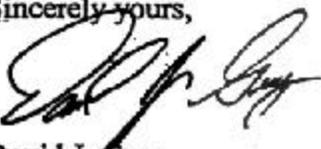
Ladies and Gentlemen:

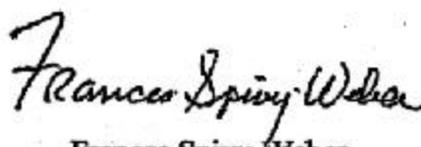
We are pleased to report that the CALFED Water Use Efficiency Public Advisory Committee (WUE-PAC) has unanimously forwarded a recommendation to the Bay-Delta Public Advisory Committee (BDPAC) for it to advise the CALFED agencies to adopt proposed agricultural milestones and the urban water conservation certification called for in the Record of Decision (ROD).

In our deliberations over these ambitious programs, the WUE-PAC universally expressed concern that there is not adequate funding for necessary science and monitoring, which includes the development of performance measures to assure on-going scientific review of WUE activities. At the direction of the WUE-PAC, we respectfully request that you evaluate, as the implementing partners for the WUE program, your respective budgets related to this program and determine if there are other funds that can either be directed or redirected to assist in the science and monitoring component of the WUE Work Plan.

The WUE-PAC is scheduled to meet again on September 11 in Sacramento. We would like to invite you and your appropriate staff to attend this meeting and present the WUE-PAC with any potential sources of funding for this important component of the program.

Sincerely yours,


David J. Guy
WUE-PAC Co-Chair


Frances Spivy-Weber
WUE-PAC Co-Chair

cc: Patrick Wright
Sam Loama
WUE-PAC
Luana Kiger
Wayne Pierson
Tracey Slavin

**Agricultural Water Management Council
Bay Institute
California Urban Water Conservation Council
East Bay Municipal Utility District
Kern County Water Agency
League of Women Voters of California
Los Angeles Department of Water and Power
Modesto Irrigation District
Mono Lake Committee
Natural Resources Defense Council
North of the River Municipal Water District
Northern California Water Association
San Diego County Water Authority**

September 3, 2002

The Honorable Dianne Feinstein
United States Senate
Hart Building 331
Washington, DC 20510

The Honorable Barbara Boxer
United States Senate
Hart Building 112
Washington, D.C. 20510

Dear Senators Feinstein and Boxer:

Water conservation and efficiency measures are a critical part of the CALFED program that needs your assistance. The undersigned urge you to fund the full CALFED Bay-Delta program, including the water use efficiency and conservation measures that were called for in the June 2000 "Framework for Action" and the subsequent Record of Decision (ROD). Funding for these efficiency and conservation programs is not only critical to advance the collaborative CALFED process, it will lead to important water quality improvements and water savings in California.

We serve as representatives of farms, water agencies, cities and the environment throughout the state in various processes working to promote increased water quality and water use efficiency, including the CALFED water use efficiency subcommittee (WUE-PAC). As you know, the most precious natural resource in California is water. The CALFED Bay-Delta Program, through your leadership, is an unprecedented effort to comprehensively manage water in California for the benefit of all Californians. We

strongly urge you to fund the water use efficiency and water conservation program as part of a complete and balanced CALFED package.

The ROD calls for \$125 million in total funding for this upcoming year. We understand the challenges in the current budget, but nonetheless urge you to recognize that funding this program is essential to keep the CALFED program on track. For perspective, there were applications this past year for water use efficiency funding totaling \$82 million, with only \$9.8 million available throughout California. Additionally, the Agricultural Water Management Council and the California Urban Water Conservation Council are actively working to assist water agencies with water quality and water use efficiency programs.

Thank you for your continuing leadership on water issues.

Sincerely yours,

Mike Wade
Agricultural Water Management Council

Joseph Lima
Modesto Irrigation District

Gary Bobker
Bay Institute

Frances Spivy Weber
Mono Lake Committee

Mary Ann Dickinson
CA Urban Water Conservation Council

Edward Osann
Natural Resources Defense Council

Richard Harris
East Bay Municipal Utility District

William Miller
North of the River Municipal Water District

Lloyd Fryer
Kern County Water Agency

David J. Guy
Northern California Water Association

Roberta Borgonovo
League of Women Voters of California

Bill Jacoby
San Diego County Water Authority

Tom Gackstetter
Los Angeles Department of Water & Power

**CORRESPONDENCE INCLUDED IN THE
BDPAC MEETING PACKET IS ON FILE
AT THE CALFED OFFICE.**

**TO OBTAIN A COPY OF THE
CORRESPONDENCE SECTION, PLEASE
CALL (916) 657-2666.**

**NEWS ARTICLES INCLUDED IN THE
CHAIR'S REPORT ARE ALSO
AVAILABLE BY CALLING THE NUMBER
ABOVE.**

The Southern California Water Dialogue

Mission: Participants in the Southern California Water Dialogue meet voluntarily to explore water-related issues of vital interest to our region. The Dialogue serves as a clearinghouse and advocate for projects, activities, and processes that will improve the quality and reliability of Southern California's water supply and benefit the CALFED Bay-Delta Program. The Dialogue also is an avenue to represent Southern California's interests to CALFED and provides information about CALFED to our region.

Co-chairs:

Frances Spivy-Weber, Mono Lake Committee, frances@monolake.org
Tim Worley, Metropolitan Water District, tworley@mwdh2o.com

Steering Committee Members:

Keith Coolidge, Municipal Water District of Orange County
Dan Cozad, Santa Ana Watershed Project Authority
Joan Dym, Southern California Water Committee
Susan Lien, Southern California Area Governments Water Committee and San Bernardino City Council
Mark Stadler, San Diego County Water Authority
Jack Sullivan, League of Women Voters of California-ENACT
Peer Swan, Irvine Ranch Water District

Ex-officio Members:

John Andrew, CALFED Drinking Water Quality Program
Meena Westford, Bureau of Reclamation, Southern California Area Office

Participants:

ADRO, Inc.
CALFED
CALPIRG
California Department of Fish and Game
California Department of Water Resources
California Water Network
Calleguas Municipal Water District
Castaic Lake Water Agency
Central/West Basin Water Districts
City of San Bernardino
Clean Water Action/Clean Water Fund
Community Enhancement Services
Cucamonga County Water District
Eastern Municipal Water District
Ed Labahn
Education for Sustainable Living
EIP Associates
El Toro Water District
Endangered Habitats League
Environmental Defense
Environment Now!
Environmental Water Caucus

ExPERT
First AME Church
Galeta Water District
Heal the Bay
Imperial Irrigation District
Inland Empire Utilities Agency
Irvine Ranch Water District
Lane Water Development and Storage
Long Beach Water District
Las Virgines Municipal Water District
Los Angeles Department of Water and Power
Los Angeles County Department of Public Works
Los Angeles and San Gabriel Rivers Watershed Council
Los Angeles Water Conservation Council
McGuire Environmental Consultants, Inc.
Metropolitan Water District of Southern California
Mission Resource Conservation District
Mojave Water Agency
Mono Lake Committee
Mothers of East Los Angeles, Santa Isabel
Municipal Water District of Orange County
Natural Resources Defense Council
Orange County Water District
Orchard Dale Water District
POWER
P.S. Enterprises
PSOMAS
Rocky Mt. Institute
San Diego County Water Authority
San Juan Capistrano Water District
Santa Ana Watershed Project Authority
Santa Margarita Water District
SCOPE
Sierra Club
The Solis Group
Southern California Association of Governments
Southern California Council on Environment and Development
Southern California Water Committee
Southern California Water Company
Southern California Watershed Alliance
Southern California Wetlands Recovery Project
TurfTech Industries
United Farmworkers of America, AFL-CIO
U.S. Bureau of Reclamation
Water Resources Institute
Western Municipal Water District